The NATIONAL UNDERWRITER

Life Insurance Edition

"What I think about my husband's job"

CAROLE T. FLAGG

When New England Life agent, Dave Flagg, interviewed a friend about coming into the life insurance business, the friend's wife had some doubts. So Dave asked his wife, Carole, to talk to this prospective agent's wife. Carole jotted down the notes below to use in her interview. (Reprinted from a recent issue of "The Pilot's Log," The New England Life company magazine.)

DAVID C. FLAGG

Life insurance selling is one job in which a wife can help her husband. When the office staff is unusually busy, I help David with his typing and some of his other paper work. A wife can find prospects in the newspapers, jog her husband's memory about calling certain people, prepare his direct mail cards — lots of small things that let your husband know that you are interested in his work and are "on his team."

There are no long periods when the husband is away from home traveling for the company. A wife sees her husband every night (sometimes late, yes, but nevertheless every night) and every morning.

It is a business in which a wife can really be a helpmate by taking an interest and by standing by in time of need with a word of encouragement.

In what other business could a man achieve a substantial salary in three to five years' time?

If your husband likes selling, he'll find that it's the highest paid salesmanship in the world! A life insurance salesman is not an "order taker."

As a long term job, it can't be touched. Each year gives you more security. No one can fire you. You will never be without a comfortable income once you build up your clientele and thoroughly master the business. Commissions are also paid on business that stays in force and this automatic income every month prevents the up-and-down income common to salesmen in other businesses.

Your husband will have the finest agency in the country behind him to train and help him become successful. They will stick with him and help him over the hurdles. If the agency doesn't think Joe has the qualities to become successful, they certainly wouldn't be interested in him.

There is an *esprit de corps* among life insurance people the way there is among the Marines, because those that make the grade really have something to be proud of — and it takes a good man to make it.

When I say a "Good Man" I mean one who has the qualities of stick-to-it-iveness and persistence, patience, ability, and optimism to succeed. Many fall by the wayside not because they didn't have the ability to sell life insurance, but because they gave up too soon. It takes a stout heart to stick out the slow times of learning the business, knowing that one day, maybe tomorrow, the tide will turn. The law of averages prevails — if you see enough people, you are bound to sell.

A life insurance man is independent and on his own initiative. He doesn't come or go by a buzzer or punch a time clock. The sky is the limit on earnings and he is his own pilot.

The business is great because when you do succeed, there is no finer feeling of accomplishment and satisfaction at having overcome many obstacles and been victorious.

The most worthwhile things in life are often the most difficult to obtain. Therefore, although this business is a rough one at times, the rewards are great.

If you make the regional conventions and the Leaders convention, they are so terrific that they spur you on to bigger and better things. Last year the Leaders Convention was in Sun Valley.

You meet wonderful people. You make lasting friendships. You have the knowledge that you are doing people a real service.

Most successful salesmen prefer to give 100% of their time to selling, but further advancement is possible if one proves to have ability as a trainer. A supervisor has good pay, no traveling, and works with men. He may even become a general agent and develop his own group of salesmen.

NEW ENGLAND
Mutual **LIFE** *Insurance Company*
BOSTON, MASSACHUSETTS

THE COMPANY THAT FOUNDED MUTUAL LIFE INSURANCE IN AMERICA — 1835

FRIDAY, DECEMBER 21, 1956

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The NATIONAL UNDERWRITER

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December 21, 1956

The National Weekly Newspaper of Life Insurance

Court Fight Looms Over N.Y. Ruling on Welfare Funds

Exemption Of Plans From Insurance Law Regarded as Hazardous to Beneficiaries

By ROBERT B. MITCHELL

NEW YORK—Attorney-general Javits of New York has ruled that the insurance operations of trusteed union welfare funds are exempt from regulation under the New York insurance law. However, some leading group insurance executives are convinced that the attorney-general has handed down an erroneous ruling, which the courts will reverse.

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At least one major company has indicated it will go to court to endeavor to upset the ruling.

Many millions of dollars of group premiums will be lost to insurance companies if the Javits ruling holds up but loss of business is not all that bothers the insurers. They are much concerned at the prospect of millions of workers being covered by plans that are without guarantees of benefits, that are accountable to regulatory authorities only sketchily if at all, and are subject to arbitrary withholding or scaling down of benefits. As investigation has disclosed, funds of some unions were so depleted by improvident management and investment that benefits had to be reduced substantially.

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If the result of the Javits ruling should be that self-insured welfare plans escape premium taxation, the revenue loss to New York state could amount to several million dollars a year. Moreover, this factor of cost in insured plans would place the insur-

(CONTINUED ON PAGE 20)

Efforts to Purchase NW Nat'l Stock Continue, But Slower

Efforts to buy Northwestern National stock continued this week in Minneapolis with at least three different groups still competing to buy shares at $103.50 each. However, market activity for the stock this week appeared to have slowed down somewhat. Competitors for Northwestern stock include Dallas Union Securities Co., Nationwide Corp., and a group of Minneapolis citizens who are backing Northwestern National management in its fight to retain control. The citizens' group is continuing its offer to buy stock at $103.50 a share for an indefinite time through its escrow agents, Northwestern National Bank and First National Bank, both of Minneapolis.

Dallas Union Securities is acting in behalf of Great Southern Life which wants to buy enough Northwestern National stock to gain control of the company.

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Meanwhile, Dallas Union Securities and Life Insurance Investors, Inc., Chicago, are trying to get mailing lists of Northwestern stockholders. It is understood that Dallas Union Securities wants a list so it can solicit policyholders and disseminate other information to them. Life Insurance Investors, one of the largest stockholders in Northwestern National, claims it wants a list of all stockholders so it can find out what other holders intend to do.

Judge Brand in Hennepin county district court at Minneapolis last week turned down petitions for a peremptory writ from Dallas Union Securities and Life Insurance Investors, which, if granted, would have meant that Northwestern would have had to give its stockholders' list to these two companies right away. As it stands now, jury trial has been scheduled for Jan. 14 in Hennepin county district

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La. Tightens Reins on Holding Companies; Investigates Three

Louisiana Insurance Commission and Banking Department are currently investigating three insurer holding companies. Neither department would identify the holding companies, but said law violations clear cut enough to press criminal charges have not arisen in any case. Both departments have attempted to place tighter controls on the formation of the holding companies.

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All applicants for the organization of new holding companies which intend eventually to establish an insurer are first screened by Commissioner Hayes and must then present three letters of recommendation to Banking Commissioner Jeansonne. Both departments are holding applicants strictly to the law.

The growth of holding companies has been so great in past months that in one case a person became principal officer in five holding companies, all chartered in a single month, for a total investment of $4.75. The five companies were trying to charter a life insurer.

Ala. Assn. Asks Strong Law on Qualifications

Officers of Alabama Assn. of Life Underwriters have given top priority to seeking passage of a strong agents' qualification law in the state. The officers have been on record as advocating such a law since the state convention in June. They now seek to implement passage of legislation.

Plans also are being made for membership promotion, insurance institutes and the state convention June 21-22 at Tuscaloosa.

Connecticut General Life has moved its Philadelphia branch to the 29th and 30th floors of the Philadelphia Saving Fund Society building from the Philadelphia National Bank building.

Crystal-Gazing and Nostalgia at LIA's Golden Anniversary

Buffet Dinner in 1906 Setting Contrasts with Sessions on Coming Trends

By ROBERT B. MITCHELL

NEW YORK—A buffet dinner with decor and entertainment reminiscent of half a century ago provided the golden anniversary meeting of Life Insurance Assn. of America with a nostalgic contrast to its two days of session intensively devoted to problems of the present and future.

The buffet dinner, with its cleverly simulated atmosphere of 50 years ago, its mustached sleeve-gartered waiters, its "fashion show" of gowns of the period, and exhibits of life insurance mementoes, brought home vividly how very long ago was the founding of LIA—then called the Assn. of Life Insurance Presidents.

The dinner was a special event. Ordinarily there is a reception but no dinner the evening of the first day of the LIA meeting.

By the next morning, however, the meeting's focus had turned from the past to the future, as a 5-man panel undertook to analyze the sources from which tomorrow's leaders in the business will come. The emphasis was not on what kind of training or experience is best but rather how to foster the kind of ability that all companies need in their top jobs.

Life insurance members of the panel were President Thomas A. Bradshaw of Provident Mutual and President Horace W. Brower of Occidental of California. Other panelists were Presidents Roy Larsen of Time, Inc., and Walter H. Wheeler Jr. of Pitney-

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Late News Bulletins . . .

Chicago Firm Drops Suit Against NW Nat'l.

Life Insurance Investors, Inc., Chicago, one of the largest stockholders of Northwestern National Life, has dropped its suit against Northwestern, thereby abandoning an attempt to get a list of Northwestern stockholders. A jury trial in the case had been set for Jan. 14 in Hennepin county district court at Minneapolis.

A notice of dismissal of the suit sent by Life Insurance Investors to the clerk of the court at Minneapolis said it was useless for the Chicago company to pursue the case because even if it won, such a victory would come too late to be of any value. Northwestern's annual stockholders' meeting is Jan. 28.

Meanwhile, a similar court action by Dallas Union Securities Co. still is expected to come to trial Jan. 14. The Dallas company, acting in behalf of Great Southern Life, seeks the Northwestern stockholders' list so it can solicit holders and disseminate other information in an effort to buy control of Northwestern. Life Insurance Investors has claimed it has no interest in control but, as a large stockholder of Northwestern, was interested in communicating with other stockholders.

Standard of Oregon Names New President

Garnet E. Cannon, executive vice-president of Standard of Oregon, will become president of the company, effective Jan. 1, succeeding W. P. Stalnaker, who retired. Mr. Cannon's promotion came following action by the company's board of trustees.

Decor reminiscent of half a century ago was very much a feature of the buffet dinner at the golden anniversary of Life Insurance Assn. of America at New York. Shown here, from left, President James A McLain of Guardian Life, who was chairman of the program committee. Mrs. McLain; Raymond A. Burke, vice-president of North American Reassurance; and John V. Bloys, assistant general counsel of LIA, who had charge of putting on the dinner and entertainment.

Evaluate Strength, Weakness; Then Set Goal, Says Learson

If there is any 'first principle' in modern management, it is to evaluate company strength and weakness and then design a program of action which can be obtained reasonably to the ultimate improvement of the enterprise, Richard J. Learson, vice-president for module operations of Mutual of New York, told 125 members of Society of Life Office Management Assn. graduates at their quarterly dinner meeting, held at Mutual's home office.

R. J. Learson

The life insurance business wanted volume in the 1920s, just as it does in the '50s, but it did not know then how to measure its costs. The industry wanted volume then in order to grow. It seeks volume today to keep costs down or level, and it knows how much it must get, Mr. Learson said.

"They wanted better interest return to improve dividend illustrations. We want it only incidentally for that purpose. We know now how tough any dividends are without it, and that failure to maintain dividends can ruin a necessary growth pattern, and that a quarter of 1% interest differential in the current competitive race can mean the difference between success and being an also-ran," he added.

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He listed these important transitional periods in the history of modern management: From the end of World War I to the bank closings of 1933, when new concepts being developed by some corporations went largely unnoticed by the insurance business; the depression years and World War II, when life insurance reevaluated its premises and put together a coherent program for rebuilding; and the current era after the war, when manpower became available and management began the drive for growth.

Those in insurance management should be aware of two important observations from this history, Mr. Learson said. First, the most successful managements have been those which made the hard decisions correctly and persisted with them for 10 years or longer. Second, the long-range nature of life insurance tends to obscure retrogression as well as it does progress, and for a far longer period than does almost any other business except, perhaps, banking. "If we had been product manufacturers, making automobiles or radios, our deficiencies would have been glaringly apparent long before we finally found them," he said.

State Mutual Boosts Income from Annuities

State Mutual has increased the total yearly income from all single and annual premium annuities from $10,000 to $12,000.

Maximum amounts of monthly income available to any one life under annual premium retirement annuities or single premium deferred cash refund annuities also have been increased substantially.

The maximum premum for retirement annuities, including previous issues, acceptable on any one life has been doubled to a $10,000 limit.

Digging the first spadeful of earth at the ground-breaking ceremonies for the Mutual Trust Life home office in Chicago is Elisabeth Ann Olson, granddaughter of the founder and daughter of the present company president. Watching for the earth to fly is—from left to right: Mayor Daley of Chicago, Mrs. Olson, and Raymond Olson, Mutual Trust president. Completion of the six-story building is expected to be next April.

Mutual Trust Breaks Ground for Home Office

Ground-breaking ceremonies for a six-story home office building of Mutual Trust Life were held in Chicago this week. Estimated cost of construction and property was given at $4.5 million.

The structure, which will be located at Wacker drive and Monroe street overlooking the Chicago river, will be fabricated with blue porcelain enameled steel and will contain 177,000 square feet of floor space. The building will also house 116 cars in a two-level underground garage. Mutual Trust Life will occupy four floors and will lease space on the fifth and sixth floors. The home office is designed so that it can be expanded to 12 floors.

Elisabeth Ann Olson, 9, daughter of Raymond Olson, company president, and granddaughter of the founder, turned the first spadeful of earth for the ground-breaking. Completion of the building is scheduled for next April.

Milwaukee A&H Assn. Hears Bruce Gifford

Milwaukee Assn. of A&H Underwriters heard Bruce Gifford, managing director of the international association, discuss "The Legislative Picture and Creeping Socialism" at the December meeting. Plans were made for the annual Christmas party Dec. 22 for children from the Milwaukee County Children's Home.

This quartet formed the committee which was responsible for the festive and successful Christmas party of Chicago Life Agency Supervisors Club held recently in a Loop hotel. Members of the committee, left to right, are Marvin Weil, brokerage supervisor with the Murphy agency of Prudential who on Jan. 1 will fill a similar position with the Lewis agency of Mutual of New York; Robert Baranowski, brokerage supervisor with the Bash agency of Mutual of New York, and Joseph Moody and Louis B. Carpentier, both life brokers with Moore, Case, Lyman & Hubbard, Chicago.

Metropolitan Makes Eight Promotions

Metropolitan Life has promoted Richard R. Shinn to 3rd vice-president in group and Henry H. Bellinger and Charles H. Jagow to associate general counsel.

Other year-end promotions are:

Donald T. Williams to assistant superintendent of agencies, available for general field management assignments. He has been district manager at Milwaukee since 1951.

Jerome D. Doyle to assistant vice-president in group.

Everett P. Fletcher to assistant vice-president in coordination.

Henry Kinzler to assistant vice-president in electronic installations.

George W. Lane jr. to assistant vice-president in A&S.

Name A. M. Campbell Executive V-P of Sun Life of Canada

Alistair M. Campbell, vice-president and actuary of Sun Life of Canada since 1950, has been appointed executive vice-president and elected a director. Lachlan Campbell succeeds him as chief actuary.

A. M. Campbell

Alistair Campbell will have executive authority over all departments. He joined the company in 1928. He is a fellow of Society of Actuaries and Institute of Actuaries of Great Britain. He is a governor of Society of Actuaries, 1st vice-president of Canadian Life Insurance Officers Assn. and past president of Canadian Assn. of Actuaries.

Lachlan Campbell joined the head office in 1928 and has been actuary and an executive officer since 1954. He is a fellow of Society of Actuaries.

Guardian Appoints May at Poughkeepsie Agency

A new Guardian Life agency has been opened in Poughkeepsie, N. Y., with E. Walter May as manager. He has been in the insurance business since 1951, with Fidelity Mutual Life. Guardian has also appointed Robert W. Hill as manager at Seattle, succeeding George L. Archer, who resigned. Mr. Hill entered the business in 1949 with New England Life and has been with State Mutual since 1955. He has had supervisory as well as sales experience.

R. W. Hill

Walker of Tex. Department Opens Actuary Office

Ray A. Walker, formerly actuary in the life division of the Texas department, has opened an office as consulting actuary at 418 Perry-Brooks building, Austin. At the same time, M. H. Shockley has been appointed actuary in the life division of the department. Mr. Shockley joined the Texas department as actuarial field examiner in 1954.

Three in Running to Succeed Davey as Ind. Commissioner

As yet, there is no "front-running" candidate to replace William J. Davey, Indiana commissioner, who has refused reappointment to go with Medical Protective of Fort Wayne as vice-president.

Mr. Davey is understood to have given Clyde Ingle, chief examiner, a strong recommendation, and a number of Indiana companies approve of him. For a time, Ingle's appointment was assumed until an Indianapolis political columnist printed the charge that Ingle is "in the pocket" of Elmer Sherwood, who handled patronage for the out-going governor, George Craig. Craig and governor-elect Harold W. Handley represent opposite factions of the Republican party, which is split in Indiana even more than the differences between the two parties.

Sources close to the governor-elect report he will not consider appointment of Ingle unless he can be cleared of the "Sherwood tag."

Meanwhile, life agents in particular have organized back of J. R. Townsend, retired Indianapolis general agent of Equitable of Iowa and a former state association president. However, Handley has stated privately that he already made too many appointments from Marion county and, further, favors a casualty man.

Fire-casualty agents are said to favor Tom Johnson, Indianapolis local agent. However, since he, too, is from Indianapolis, the geographical objection applies to him the same as to Townsend.

Handley is said to be delaying the appointment in the hope that a qualified out-state man will turn up. However, the Indiana job is not particularly attractive salary-wise, and the law specifies that the commissioner must sever all connection with the insurance business. In the case of a casualty man, which Handley is said to favor, this requirement means he must dispose of his agency for a relatively low-paid job which he can be sure of holding for no more than four years.

Handley has asserted that he wants to appoint a highly-qualified man to the post, but the fear in the business is that in his effort to find a man who avoids the objections he has to Townsend, Ingle, and Johnson, he will finally settle on someone whose main qualification is political.

Write A&S Plan for 500,000 Railroad Workers in Canada Without Agent Commissions

The biggest employe welfare plan ever to be established in Canada will go into effect Jan. 1 to provide a comprehensive health insurance plan for an estimated 500,000 non-operating employes of Canadian railroads.

Highlights of the plan include: $500 group life coverage; weekly indemnity of $40 in case of sickness and non-occupational disease; basic hospital expense protection for 70 days at standard ward rates, and medical and surgical benefits under doctor-sponsored plans.

The plan was agreed to after several months of negotiations between the companies and the unions representing the employes. Both employes and companies will participate in premium payment at the rate of $4.25 a month.

Prime insurer of the plan is Sun Life. Other underwriters will be London Life, Canada Life, Mutual Life of Canada, Confederation Life and Great-West Life.

One of the conditions upon which insurance company submissions would be considered by the negotiating committee was that agents' commissions should not be charged. William M. Mercer Ltd. was retained to advise the companies and Johnson & Higgins (Canada) Ltd. to advise the unions on the flat fee basis.

It was not so much a matter of the cost involved (it is understood there would have been little difference) but it was argued that "no one company or individual could be said to have brought the business to the insuring company."

This raised some controversy, particularly among agents associations which viewed this as undermining the basis upon which insurance is sold in Canada. But the no-commission rule held and insurance companies are underwriting on this basis.

Union Labor Life Names Plumer V-P

Union Labor Life has promoted Charles A. Plumer to vice-president and group administrator to succeed Rudolph Ellis, who recently was named executive vice-president.

Mr. Plumer, who has been assistant group administrator, entered the business with U. S. Life in 1930 and rose to assistant secretary in charge of the group division. He joined Union Labor Life's group department in 1952 and has been consultant and advisor to many of the large trade union health and welfare programs written by the company.

Thomas J. O'Malley and **Gregory Brewer**, group sales representatives at Denver and Atlanta respectively for Occidental Life of California, attended an advanced training course at the home office.

Indiana to Seek Back Income Taxes From Blue Cross

The Indiana revenue department has announced its intention to seek payments of past gross income taxes from Blue Cross and Blue Shield following an attorney general's opinion.

State Revenue Commissioner Frank Millis said "I have no idea of the amount of business they have done and consequently the tax owed, but I expect to send a team of auditors to look over their books as soon as I get an official copy of the ruling from the attorney general."

The opinion requested by Mr. Millis of Attorney General Edwin K. Steers, ruled Blue Cross and Blue Shield "are engaged in the business of insurance and that as such they are subject to gross income tax in the same manner as other insurance companies." The hospital and medical insurance companies, Mutual Hospital and Mutual Medical, have not been paying the gross income tax of 1% on grounds they are non-profit organizations.

Wilbur F. Keeler, Blue Cross coordinator, and R. S. Saylor, executive vice-president of Blue Shield, declined to comment on the new ruling or whether the companies would attempt to fight the issue in court. "We have nothing to say, at this time," each declared, adding there would be no comment until their attorneys had a chance to study the official opinion.

As to how many years the state could attempt to collect back taxes, Mr. Millis said. "If a taxpayer has not filed any returns, we can go back as far as the passage of the law or the date the business was incorporated, whichever is later," he said.

The two companies reported net profits of more than $3.4 million last year, indicating the amount of back taxes the state is seeking would add up to a large sum. Blue Cross, in its 1955 earnings report to the Indiana insurance commissioner, cited a net profit of $2,355,126.53 and a surplus of $7,275,522.40, while Blue Shield reported a net profit of $1,109,062.91 and a surplus of $4,856,212.41.

Opposing Views on New Mortality Table Given by Members of ALC-LIA Committee

Olshen of West Cost Life Strongly Opposes Adoption as Hurting Some Insurers

A. C. Olshen, vice-president and chief actuary of West Coast Life, a member of the American Life Convention-Life Insurance Assn. of America subcommittee on deficiency reserves, is strongly opposed to the adoption of the proposed new mortality table. He has written the following letter to THE NATIONAL UNDERWRITER:

Upon my return from the east after attending a meeting of the joint American Life Convention-Life Insurance Assn. of America deficiency reserves subcommittee and Society of Actuaries meeting, my attention was called to your Nov. 9 article relating to the proposed new mortality table.

Being familiar with the tremendous amount of pressure which has been brought forth from certain segments of the life insurance industry to push through the adoption of this table, I can appreciate some of the statements contained in the early part of the article. In view of the fact that some of these statements are without foundation and, in fact, exactly contrary to the true situation, I felt it incumbent to call this to your attention—especially in view of the possible serious and far-reaching effects on the smaller companies.

Without lifting anything out of context I refer specifically to the statement that the new projected mortality table "by eliminating the deficiency reserve requirement will greatly improve the competitive position of the newer, smaller companies." Exactly the opposite is true—the newer, smaller companies would be faced with a much more severe competitive position than that in which they are currently finding themselves.

You are led to false conclusions because of the erroneous assumption which you make in the second paragraph, namely, "The CSO table now in use, because it doesn't reflect recent improvements in longevity, forces a company selling at non-par rates to pitch its gross rates at a level no less than the net rates called for by the CSO table, even though the latter are unrealistically high."

Recent front page articles in the *Wall Street Journal* have called attention to the increasing trends in the life insurance business of serious rate-cutting and rate competition to attract business. One needn't look much further than various advertisements which have appeared in your own fine trade journal to find substantial evidence of this. However, in no one instance do we know of a company that has reduced all of its rates to the CSO net basis and is currently seeking to reduce them further, provided it is relieved of the deficiency reserve requirement.

What one does find is instance after instance where a company has reduced the rates on one or two target plans to a level even lower than CSO net, merely for competitive purposes. This has forced these companies to set up deficiency reserves in these particular instances. Where a large non-participating company has taken such a move, only a relatively small pro-

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Brown of Colonial Life Says Foes of Table Are Mistaken in Assumptions

Because of the intense interest in the important matter of adopting a new permissive mortality table, THE NATIONAL UNDERWRITER *asked William C. Brown, vice-president and actuary of Colonial Life, to comment, as a proponent of the proposed table, on the views expressed in the next column by A. C. Olshen, vice-president and chief actuary of West Coast Life. Like Mr. Olshen, Mr. Brown is a member of the ALC-LIA joint subcommittee on deficiency reserves.*

I am very glad to make the following comments in regard to the new mortality table, which are in opposition to those expressed by Mr. Olshen.

The desirability of updating the mortality table used for valuation purposes should be quite obvious from general considerations. The basic data behind the 1941 CSO table is over 20 years old and the improvement in mortality which has been evident, especially in recent years, makes that table very much out of date.

The urgent need for the adoption of an up-to-date table is caused by the present competitive situation and the limiting effect of the present valuation table on non-par premiums through the deficiency reserve statute. The life insurance business is very competitive and has been becoming more so. The manner in which this competition develops is very clear. The large mutual companies have increased dividends in the past and will continue to do so as their experience indicates, thus reducing net costs. They have no concern about deficiency reserves because it will be almost impossible for such companies to have any such deficiency reserves. The large stock companies will meet this competition as they have done in the past by lowering their non-par premiums as their experience permits and will not be deterred from this action by any deficiency reserves which the present valuation standard will require them to put up. These large companies have sufficient financial resources to meet these deficiency reserves and while a new table would help them they undoubtedly could still live for some time under the present standards.

The companies that are really being hurt by the present situation are those smaller stock companies whose own experience would permit them to reduce their non-par premium rates and maintain their competitive position but whose financial resources just will not allow them to put up the deficiency reserves which would be required. The fact that the valuation mortality standard is out of date makes these deficiency reserves totally unnecessary and steps must be taken promptly to correct this situation.

Apparently some opposition to the adoption of a modern table stems from the mistaken belief that by holding back such progress the large companies will be prevented from reducing premiums. As I have indicated above, the large companies will not be prevented from reducing their premiums and the only companies that will be

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Texas A&S Sales Congress

Insurance Has Reaped Benefits from Minor Obstacles Met in Last 30 Years: Horman

The insurance business in the last 30 years has run into just a few minor obstacles which, in the final analysis, worked for the industry's benefit, declared S. L. Horman, vice-president of Time of Milwaukee, at the annual Texas A&S sales congress held on successive days at Dallas, Houston and San Antonio.

He categorized them as the depression of the 1930s, the spread of group underwriting, Blue Cross-Blue Shield, the threat of government intervention and social security. They actually should be called temporary distractions, since none really acted as sales deterrents, he said.

The depression had the effect of making the agents become better salesmen and taught them to put in an honest day's work for an honest day's pay, Mr. Horman pointed out. Group underwriting broadened insurance men's horizons and created a public awareness of the need for protection, thus working to the advantage of the business. The advent of Blue Cross did more than any one thing to make the public conscious of the need for hospitalization insurance. The threat of government intervention also made the public more aware of the benefits of A&S and kept the industry on its toes. Now, disability benefits under OASI will emphasize the need for income protection, widen the market and cause insurance people to become better merchandizers.

Although these obstacles really helped the business make more money than ever dreamed possible, the pre and post-war era of easy selling had a less salutary effect, Mr. Horman asserted.

"We lost control of the interview by selling what people thought they wanted, rather than what they needed," he explained. "Direction came from the buyer. We took the easier route, both in selling and prospecting."

But still standing the business in good stead are the fundamental concepts of hard work, selling with a purpose and creativity, he added.

The A&S field has grown phenomenally in a few years to a point where it is second only to life in premium volume. The potential is unlimited. Trends indicate a more secure future than at any time in the last 20 years. A&S premiums probably will rise to $17 to $20 billion annually in the next decade, he predicted.

Claims which are declined because of pre-existing conditions, benefits which are less than expected and optional renewal are the only areas where misunderstanding with the public can arise, he pointed out. And they are not serious issues if sales activities are conducted properly.

The outmoded principle of terminating coverage under optional renewable policies because of health deteriorations has been discontinued by many companies, Mr. Horman noted. Similarly, the placing of waivers on existing policies for the same reason is not a normal practice among many companies today.

While it would be an ideal situation to have all A&S policies on a guaranteed renewable basis, neither the industry nor the public is ready for such a change at the moment. Experience in this field is lacking to quite an extent, and certainly this is not the time to boost A&S costs from 20% to 40%, which would be necessary as a reserve consideration if all policies were made guaranteed renewable, he stated.

"We are salesmen in every sense of the word, and we should strive to retain that nomenclature," he said. "In recent years, it seems that we have shied away from that honorable designation by assuming such high sounding professional titles as insurance counsellors, estate planners and other high-sounding titles. It is time we give some thought to reappraising the significance of being professional salesmen because ours is a noble and great profession that requires courage, imagination, foresight, extensive training and work."

Perhaps insurance people can return to a more fundamental and appreciative concept of the business by recognizing the great advantages now enjoyed. Social and economic changes unparalleled in the country's history have taken place in the last 30 years.

"We are today at the pinnacle of that era which is highlighted primarily by a transition of emphasis from an age of production to an age of understanding, from indifference to consumer demands to an acute cognizance of consumer likes and dislikes, from an economy predicated on thrift to one of unlimited credit," Mr. Horman stated.

John D. Saint Jr., regional agency director of American General Life,

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spoke on "The Health of a Salesman." The agent, to remain healthy, must remember that personal insurance is paid to the widow, children, the old man, the worker for loss of time, for the doctor and the hospital.

People do not want to buy insurance, he said. They want to buy TV sets, autos, radios and other appliances without any aid from the salesman. But there is no built-in sales appeal in the insurance policy. The agent must take the intangible promise and bring it into the lives of people, converting it into paid bills, loss of time income, payment of hospital and doctor's bills. It is only human for people to want their money for things other than insurance.

Mr. Saint advised agents to be their own personal physicians. They should observe themselves in action, diagnose their "diseases" and "prescribe" for them. They must supervise themselves and cure their ailments.

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Russell H. Moore of Michigan State university, spoke on the topic, "Economic Death Need Not Be a Tragedy." He described his own sales method, noting that he tells prospects how he has provided protection for his own income and family.

He said he agrees with prospects who say they can do better with their money by investing it; then he asks if they can guarantee that they will have time to complete their plans. Agents should emphasize man's most valuable asset as his ability to "keep walking in his shoes" and provide a continued income.

While a father may provide for four children, it takes four extraordinary children to provide for a father, Mr. Moore said. Agents should help prospects see the need for a guaranteed continued income, old age income, provision for paying a mortgage or providing an education for the children.

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Welcoming remarks were made in the various cities by A. L. Ragle, Great American Reserve, president of Dallas association; George N. Barton, Southland Life, president of Fort Worth association; L. W. Curry, Employers Casualty, president of Houston association; and Carroll C. Preston, Guarantee Mutual Life, president of San Antonio association. John T. Delaney, American General Life, Houston, president of the state association, addressed the groups.

At the Dallas session, Clifford E. McDonald, agency director of International Fidelity and past president of International Assn. of A&H Underwriters, was awarded a plaque as "man of the year."

The congress was attended by 250 A&S men.

Sees Small Group Plans as Best Group Market

Small group plans offer the best market for group coverages, Herbert D. Eagle, vice-president in charge of group of Occidental Life of California, told Los Angeles Life Managers Assn.

Package policies for small groups enable agents to enter the group field, close cases in one or two calls and create goodwill, he said.

More selective underwriting should be done in the major medical field, he said. Group people should give more study to major medical, simpler group coverages, higher life limits and additional casualty coverages. It might be advisable to have legislation regulating jumbo group, he said.

Continental Companies to Give 5,000 Toys to Orphans This Year

Continental Casualty and Continental Assurance will perpetuate the Yuletide spirit by passing out 5,000 toys to Chicago orphans on Christmas day and by displaying a huge Christmas "tree" towering over 400 feet above street level.

The toys are gifts provided by employes of the Continental companies in their annual Yuletide toy collection. More than 50,000 toys have been given to children since the project was begun in 1941 to distribute presents to children whose Continental-employed fathers were in the armed forces. The gifts will be displayed beforehand in the fourth floor conference room of the Continental companies building by Miss Peg Hinkamp, who has headed the drive since its inception.

The simulated Christmas tree will be lighted by 176 green and red colored windows on the east face of the building, rising to a height of 400 feet from base to tip and 475 feet above Michigan boulevard.

Convention Dates

Feb. 4-6, Health Insurance Assn. of America, group insurance forum, Drake hotel, Chicago.

Mar. 18-20, Life Insurance Agency Management. Conference, Edgewater Beach hotel, Chicago.

Mar. 24-29, National Assn. of Life Underwriters, midyear, Hotel Roanoke, Roanoke.

April 11-12, Home Office Life Underwriters Assn., annual, Greenbrier hotel, White Sulphur Springs.

April 15-17, Life Insurance Agency Management Assn. A&S Meeting, Edgewater Beach hotel, Chicago.

April 29-May 1, Life Insurance Agency Management Assn. Combination Companies Conference, Hollywood Beach hotel, Hollywood, Fla.

May 6-7, Assn. of Life Insurance Counsel, spring meeting, Greenbrier hotel, White Sulphur Springs.

May 6-8, Health Insurance Assn. of America, annual, Sherdon Park hotel, Washington, D.C.

May 12-15, Life Insurance Agency Officers Round Table, Homestead hotel, Hot Springs, Va.

May 20-22, Insurance Accounting & Statistical Assn., annual, Palmer house, Chicago.

May 22-24, Life Insurance Conference, Carolina hotel, Pinehurst, N. C.

June 5, Actuarial Club of the Pacific, semi-annual, Del Monte hotel, Pebble Beach, Cal.

June 12-15, International Assn. of A&H Underwriters, annual, Lowery hotel, St. Paul, Minn.

June 12-15, Wisconsin Assn. of A&H Underwriters, annual, St. Paul, Minn.

June 30-July 3, Million Dollar Round Table, Greenbrier hotel, White Sulphur Springs.

Aug. 12-14, International Federation of Commercial Travelers, annual, Empress hotel, Victoria, British Columbia.

Sept. 15-20, National Assn. of Life Underwriters, annual, Sheraton-Cadillac and Statler hotels, Detroit.

Sept. 16-20, General Agents & Managers Conference, annual, Detroit.

Sept. 17, American College of Life Underwriters, annual, Sheraton-Cadillac hotel, Detroit.

Sept. 18, American Society of Chartered Life Underwriters, annual, Detroit.

Sept. 23, Fraternal Actuarial Assn., annual, Statler hotel, Los Angeles.

Sept. 23-25, Life Office Management Assn., annual, Shoreham hotel Washington D. C.

Sept. 23-25, National Fraternal Congress of America, annual, Statler hotel, Los Angeles.

Oct. 23-25, Assn. of Life Insurance Medical Directors, annual, Statler hotel, New York City.

Oct. 31-Nov. 1, Actuarial Club of the Pacific, annual, Biltmore hotel, Santa Barbara, Cal.

Nov. 10-14, Life Insurance Agency Management Assn., annual, Edgewater Beach hotel, Chicago.

Dec. 6-8, California State Assn. of Life Underwriters, midyear, Rickey's Studio inn, Palo Alto.

Dec. 9-10, Assn. of Life Insurance Counsel. winter meeting, Plaza hotel, New York City.

Dec. 11-12, Life Insurance Assn. of America, annual, Waldorf-Astoria hotel, New York City.

Implications of '600-Mile City' Traced by Panel at Institute's Annual Meeting

NEW YORK—The linking-up of cities and suburbs into vast urban areas through the spectacular migration of people and of business and industry to the country in recent years has already created a great "600-mile city" running from Boston to Washington, and others of comparable dimensions are emerging in other parts of the United States.

Dramatic evidence of the transformation the country is going through was disclosed in an initial presentation based on material gathered in a continuing study being carried on at Yale university. This presentation was made today at the annual meeting here of Institute of Life Insurance.

Encompassed in this "600-mile city," the meeting was told, are the metropolises of New York, Philadelphia, and Baltimore in addition to Boston and Washington. It contains 6% of the nation's land areas and 20% of its population. In this long stretch of cities and suburbs linked up with each other, there are only two comparatively small spots, one of 17 miles and the other of just two miles, that are not in metropolitan areas, it was stated.

The presentation at the institute meeting was based on the results of a research program in city planning being conducted at Yale university's school of architecture. Highlights were presented to the meeting in a series of slide films under the title of *Interurbia—the Changing Face of America.* Prof. Christopher Tunnard, who is directing the study, introduced it with a brief background of its nature and objectives. A group of experts later discussed the social and economic consequences of interurbanization.

William C. McKeehan, vice-president of the J. Walter Thompson advertising agency, acted as narrator for the slide film presentation. Members of the panel were William H. Whyte, Jr., assistant managing editor of *Fortune* magazine, who discussed the social aspects; Henry Wallich, professor of economics at Yale, who spoke of the economic implications; and Norman H. Strouse, president of J. Walter Thompson Co., who outlined the implications for management arising out of interurbanization.

E. M. McConney, chairman of the institute and retired president of Bankers Life of Iowa, presided over the presentation and introduced the speakers.

As everybody recognizes, Mr. McKeehan said, this country is experiencing a dynamic acceleration of growth which is part of a social and economic transformation as radical as the industrial revolution, and much more swift in its progress than any change the world has ever known.

The sudden increase in our population, the unprecedented development of our industry, the suburbs that grew up almost overnight, the quick expansion of cities, are all part of the growth picture.

"Almost everywhere we look, we find we have been poor forecasters of America's fabulous growth," he said. "Because we have lacked foresight, and because we have failed to realize the speed of what is happening to us, we are faced with serious problems. They are a whole new order of problems, very different from the ones which planners had to deal with in the past.

"But there is opportunity in this hurrying growth, too. To take advantage of it we need more skill and daring in forecasting. We must learn to see the world around us in a new light, to examine the face of America as it really is today."

It is no longer quite realistic to speak of a city and its suburbs, Mr. McKeehan said, and cited the Boston to Washington "600-mile city" as an example of what is occurring.

"The Atlantic strip is the largest of the new urban strips," he stated, "but it is by no means the only one of its kind. The steel belt from the mines to the Lakes—Pittsburgh, Youngstown, Canton, Akron and Cleveland—is now an almost continuous urban area.

"Pontiac, Detroit, Dearborn, Ann Arbor, Monroe and Toledo represent another urban strip that may link with Cleveland via Sandusky and Lorain. Lake Michigan's industrial Riviera—Milwaukee, Racine, Kenosha, Waukegan, Chicago, Hammond, Gary, and South Bend—may soon connect with Detroit.

"There's an emerging interurbia along Puget sound. We find the same striking pattern from San Francisco inland. Los Angeles now joins hands with Riverside and Long Beach in a march toward San Diego. Indeed, throughout the country, almost every large city is the heart of a cluster of cities whose suburbs interlock so rapidly that a stranger driving through can't be sure which city is which."

The reason for this, Mr. McKeehan stated, is the mobility of homes and jobs, thanks to the automobile and ris-

(CONTINUED ON PAGE 14)

Discuss Compulsory Ability Criteria for Consulting Actuaries

The question of requiring a certain level of actuarial competence of actuaries doing consulting work without at the same time setting needlessly strict standards elicited a good deal of discussion at the annual meeting of Society of Actuaries at White Sulphur Springs, W. Va.

Myles L. Grover, Johnson & Higgins, said he felt that some means must be devised of designating those actuaries that are qualified as a protection to the public. At present the only such qualification is fellowship in the Society of Actuaries. Conrad A. Orloff, Marsh & McLennan, pointed out that there are a large number of non-fellows who are adequately qualified actuaries. J. P. Stanley, UAW-CIO, does not feel that there is any need for legislative action since it might disqualify consulting actuaries who are obviously qualified in every respect except that they are not fellows of the society.

Alan A. Groth of the Arthur Stedry Hansen firm, explained that pension fund valuations in Canada must be certified by a fellow if the plan is self-insured and by an associate if insured.

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Carl H. Fischer, University of Michigan, pointed out that if the society does not find some means of qualifying consulting actuaries, then the states will pass legislation to protect the general public.

Nathan A. Moscovitch, consulting actuary, reported that the Conference of Actuaries in Public Practice has corresponded with the Internal Revenue Service concerning the right of actuaries to represent clients in hearings.

Samuel N. Ain, consulting actuary, agreed that the fellowship was not a necessary qualification for a consulting actuary.

William F. Lumsden, Seefurth-McGiveran, Chicago, has had no trouble representing clients before local offices of the Internal Revenue Service.

Harwood Rosser, Bernard R. Meidinger & Associates, agreed that some definite qualifications are necessary for consulting actuaries to protect the public.

Thomas P. Bleakney, Milliman & Robertson, reported that the state of Washington requires that a pension fund be certified by at least an associate of the Society of Actuaries.

Dorrance C. Bronson, Wyatt Co., does not feel that there is any need of legislation requiring the sound actuarial operation of a self-insured plan.

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George A. Cooke, Canada Life reported that the Canadian government requires a self-administered plan to be registered but does not certify its actuarial soundness.

Vernon L. Lawson, Johnson & Higgins, pointed out the Canadian government requires an actuarial examination of the accrued liability and future costs at least every five years by a qualified actuary who must be a fellow of one of the actuarial societies.

J. P. Stanley, UAW-CIO, reported that this union is recommending that employers do not self-insure group A&S plans, since the insurance companies are better equipped to administer the plans than the union or the employer.

Preston C. Bassett of Towers Perrin

(CONTINUED ON PAGE 15)

Call for Permanent Group to Study CLU Continuing Education

An interim exploratory committee has recommended appointment of a joint committee on continuing education for CLUs. If trustees of American College and directors of American Society adopt the suggestion, a permanent joint group will be named to pursue the subject in detail.

The exploratory committee, headed by Paul A. Norton, vice-president of New York Life, consisted of 16 prominent figures in life insurance and education, plus CLU staff members. It met recently for two days in Chicago as the result of a report made to the board of American Society last fall by a special temporary committee. The recommendation for creating a permanent group was made by Ben S. McGiveran of Seefurth & McGiveran Consulting Service of Milwaukee, and amended by Davis W. Gregg, president of American College.

Three out of four members of the society recently expressed a favorable reaction to the idea of developing a continuing education program. Recent summer institutes of the society have been over-subscribed. There has been considerable discussion about enlarging the program in some way.

The purpose of the Chicago meeting was to air the entire subject and elicit members' ideas and opinions on the need for such a program, what form it might take and how it would be financed. One suggestion involved the establishment of an "American academy of life underwriting" in which CLUs would receive credit toward membership by various methods.

Any continuing education program, according to the tenor of the discussion, would consist of refresher courses and expansion of subjects now covered in the CLU curriculum, together with related subjects valuable to CLUs.

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The meeting consisted of three subcommittees headed by James E. Bragg, manager of Guardian Life at New York and a trustee of the college; Jack C. Windsor, manager of Connecticut General in Milwaukee and a director of the society, and Joseph H. Reese, general agent of Penn Mutual in Philadelphia and secretary of the college.

Other members of the temporary committee were Leslie J. Buchan, professor of accounting of Washington university school of business and public administration; George B. Byrnes, general agent of New England Life at New York and past chairman of Million Dollar Round Table; Coy G. Eklund, manager of Equitable Society in Detroit; Herbert C. Graebner, dean of the college; Lantz L. Mackey of L. L. Mackey & Associates in Detroit; Hal L. Nutt, director of Purdue institute; Loran E. Powell, managing director of Life Underwriter Training Council; Charles K. Reid II, senior consultant of LIAMA; Hilbert Rust, president of Insurance R&R; Leroy G. Steinbeck, managing director of the society; John O. Todd, Northwestern Mutual, Chicago, president of Todd & Zischke Services, Inc., and a trustee of the college; Fitzhugh Traylor, manager of Equitable Society at Indianapolis and president of the society; and Edmund L. Zalinski, vice-president of John Hancock and a truestee of the college.

Prudential has opened a new San Fernando Valley agency at 14606 Victory boulevard, Van Nuys, Cal.

EDITORIAL COMMENT

Answering the 'Easy Money' Pop-Offs

There's so much muddled thinking about "tight money" among the general public that we wish every life insurance agent could have added to his store of anti-nonsense ammunition by hearing the talk that Treasury Undersecretary Randolph Burgess gave at the recent annual meeting of Life Insurance Assn. of America.

As the next best thing we suggest a careful reading of the report of his talk that appears on page 12 in this issue.

It's not that any life insurance man needs further convincing of the need for resisting artificially created "easy money" and all other inflationary measures. But there's a great need for them to convince the vast numbers of people that need convincing—people who if left uninformed could bring serious pressure to bear on members of Congress and public officials charged with giving direction to credit liberalizations and restrictions.

Life insurance men and women are fully aware of this, for what they sell is seriously affected by inflation and hence by the factors that contribute to it. But more than mere awareness is needed. It's easy enough to urge life insurance agents to tell their policyholders, prospects, and others they come into contact with all about the inflationary dangers of artificially created "easy money." But such urging is about as effective as a generalized admonition to speak out for virtue and against sin unless there is also conveyed an understanding of what is involved.

It's something like selling life insurance: A mere conviction that life insurance is a good thing and nobody should be without it is not enough. It needs real understanding if an agent is to prevail against the shallow-minded attitude of those who "don't believe in life insurance," who are "worth more dead than alive," or who "can't afford any more life insurance."

Similarly, it takes more than a passive acceptance of the theory of sound money to talk convincingly against the blatherskite who sounds off against sensible credit policy because it happens to chafe him in some way at the moment. He is typical of the inconsistent type of thinking that if reduced to its basic premises consists of wanting to eat your cake and have it, too. The same individual who roars around because he finds it less easy to finance the purchase of a new car or new home would yell just as loudly at the reduction in the purchasing power of his life insurance that would result from the artificially low interest rates that he'd like to see when he is the borrower.

The sad fact seems to be that too many people who ought to know better have no compunction about talking economic nonsense. Worse still, they seem to believe it. They think they are talking sense. Underlying this attitude is the feeling that in some way the federal government has a responsibility to maintain conditions that will assure a constantly greater degree of prosperity for all people in all respects. These people refuse to face the fact that when there's a boom and everybody is making a lot of money and spending a lot of money, prices are going to be bid up. This as true of the price of borrowing money as it is of the prices of the things for which credit is wanted.

Economic forces must be allowed to operate so that prices, whether of articles or of credit, will find their proper level. Interference by government can only postpone the day when natural forces will reassert themselves—with damaging force from having been artificially pent up.

There is no point in hoping that the life agent will cure the situation by giving an economic disquisition everywhere he goes. But much can be done if the agent recognizes economic nonsense when he hears it and knows enough to take the wind out of the sails of the fellow who unthinkingly inveighs against the government for not bringing back the days of cheaper interest rates.

PERSONALS

Frederick W. Knight, California-Western States Life, treasurer of San Antonio Life Underwriters Assn., is making a satisfactory recovery following minor surgery.

Horace W. Brower, president of Occidental Life of California, has been reelected a director of All-Year Club of Southern California.

Harold A. Grout, vice-president of John Hancock, has been elected honorary chairman of Boston Actuaries' Club, of which he is a charter member and former officer.

James E. Bragg, manager of Guardian Life at New York, has been appointed chairman of the life insurance and pensions division of Muscular Dystrophy Assns. of America, Inc.

W. P. Stalnaker, president of Standard of Oregon, has been elected a director of Portland Trust bank.

DEATHS

Y. WILCOX SCARBOROUGH, 61, president and co-founder of Atlantic Coast Life of Charleston, S.C., died in his sleep at his home in Charleston. He and Jesse W. Orvin organized the company in 1925 and he later bought Mr. Orvin's share of the business. Among his survivors are three sons, Y. W. Scarborough Jr., executive vice-president and treasurer of Atlantic Coast Life; Robert B. Scarborough, secretary, and S. Thomas Scarborough, who is on the board with his brothers and late father. Mr. Scarborough also organized Cosmopolitan of Charleston. He was a former member of the state assembly.

Guardian to Enter Group Field in 1957

Guardian Life's board has authorized the company to enter the group field. Coverages will include life, weekly loss of time, accidental death and dismemberment and a wide range of hospital, surgical and medical expense benefits.

President James A McLain said a research unit was set up more than a year ago to prepare for entry into the group field. Plans have progressed to a point where the company probably will be ready to sell and service group in the New York metropolitan area in early 1957.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co. 135 S. LaSalle St., Chicago, Dec. 18, 1956

	Previous Week's Bid	Current Bid	Asked
Aetna Life	168	169	172
Beneficial Standard	16	15½	16
Cal.-Western States	78	75	78
Colonial Life	94	95	98
Columbian National	76	74½	77
Commonwealth Life	23¼	23½	24½
Connecticut General	251	256	260
Continental Assurance	121	120	124
Franklin Life	85½	90	92
Great Southern Life	78	77	80
Gulf Life	31½	30¾	31½
Jefferson Standard	121	122	125
Kansas City Life	1140	1140	1160
Life & Casualty	21	21¼	22
Life Insurance Investors	13¾	13⅞	14¼
Life of Virginia	102	102	105
Lincoln National	208	207	212
Missouri	31	31	Bid
National L. & A.	88	88½	90
North American, Ill.	18	17¾	19
N. W. National Life	103	103½	Bid
Ohio State Life	260	260	Bid
Old Line Life	57	57	62
Southland Life	88	89	93
Southwestern Life	93	95	100
Travelers	69¼	69¾	71
United, Ill.	21⅝	22¾	23¾
U.S. Life	27	27	28
West Coast Life	46	45	47
Wisconsin National	50	54	57

May Have Political Side Show on Naming Iowa Commissioner

DES MOINES—A contest appears to be in the making over whether the Republicans or Democrats in Iowa will be able to name the insurance commissioner, with a Democratic governor, Hershel Loveless, taking office on Jan. 17, four days after the 1957 legislature convenes.

O. P. Bennett, the present commissioner, was given an interim appointment following the death of the late Charles R. Fischer and his term expires 30 days after the legislature convenes.

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The outgoing Republican governor, Leo Hoegh, is considering the possibility of sending up the name of Bennett for reappointment before he leaves office. The legislature meets on Jan. 14 and Hoegh would have to name Bennett immediately and the senate would have to suspend its rules in order to push the confirmation through before Loveless takes office.

Loveless is reported considering two insurance agents, James F. Mulqueen, former mayor of Council Bluffs, and Robert Douglas of Mason City, for his appointment.

Republicans have been studying the state laws and legislative rules to determine whether they can push through the Bennett appointment. A question has arisen as to what happens if Hoegh sends up Bennett's appointment but the senate is unable to take action before Loveless takes office and the Democratic governor then sends up his appointment.

The Democrats have 10 members in the 50-member senate and they would need the support of only seven republicans to block Bennett's appointment if it is sent up.

Judge Conway Lauds Public Trust That Life Insurers Have

The "dynamic, colossal" growth of life insurance in the past decade has been due to the fact that the insurance companies have gained the confidence of the public, Albert Conway, chief judge of the New York court of appeals, said at the 50th anniversary meeting of Life Insurance Assn. of America in New York.

"By dealing uprightly, fairly and honestly with the American people, the life insurance companies have inspired faith and trust," Judge Conway said.

Judge Conway said life insurance companies are more than just quasi-trustees responsible for meeting the obligation of long-term contracts, but "they, as well as the schools, a free press and other agencies, are also responsible for convincing the public that basic ethical principles are in the end most conducive to their welfare and happiness."

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MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Federal 2-5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—99 John Street, Room 2420, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

NEWARK 2, N. J.—10 Commerce Ct., Tel. Market 3-7019. John F. McCormick, Resident Manager.

OMAHA 2, NEBR.—610 Keeline Bldg., Tel. Atlantic 3416. Fred L. White, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad St., Room 1027, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

SAN FRANCISCO 4, CAL.—582 Market St., Tel. Exbrook 2-3054. A. J. Wheeler, Pacific Coast Manager.

'57 Demand for Funds Seen Again Exceeding Supply of Capital

With all signs indicating that overall business activity will remain high in 1957, it seems certain that the demand for investment funds on the capital market will again outrun the supply of savings, as it has in the past two years, James J. O'Leary, director of investment research of Life Insurance Assn. of America, told the LIA annual meeting at New York.

James J. O'Leary

This situation will result in great pressure for an expansion of bank credit beyond growth requirements to fill the gap and calls for the continuation of the policy of credit restraint by the monetary authorities designed to head off an inflationary increase in commercial bank credit.

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"The federal reserve and the U. S. Treasury have wisely and courageously pursued a policy of credit restraint to keep our national economy on an even keel and to maintain stability in the value of the dollar," Mr. O'Leary said in his report. "There is nothing in the outlook for next year which would reduce the great public need for a non-partisan, fully independent federal reserve, free to study economic trends and to determine monetary and credit policy responsibly and objectively in the broad public interest.

"The country is fortunate that we have such freedom on the part of the monetary authorities, and they have pursued wise policies. But we must always remember that the federal reserve and the Treasury sorely need the aid of other public and private groups if we are to have a stable and sustainable economic growth. Restraint by the monetary authorities must be matched by restraint on the part of business concerns, organized labor, the consumer, lending institutions—indeed the country as a whole."

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Listing the factors in the outlook for 1957, Mr. O'Leary said consumer expenditures, bolstered by a comeback in the automobile market, as well as business expenditures, should continue strong. In the face of increased international tensions, federal expenditures may well be pushed upward, he stated. Although the current rate of plant and equipment expenditures by business concerns is very high, there is little evidence that we can expect any marked abatement next year, he said. He also anticipated residential housing starts of a million or more in 1957, and foresaw continued high demand for capital funds from state and local government.

Mr. O'Leary estimated the assets of all United States life insurance companies as of Dec. 31 this year at $96.25 billion, an increase of $5.8 billion during 1956. He listed the principal elements in these assets as follows:

Mortgages, of which a substantial part are on homes, rose to an estimated $33.1 billion during the year, up $3.6 billion. As in previous years, he said, the mortgage market was by far the largest new user of life company funds in 1956. Total mortgage holdings of the life companies will represent an estimated 34.4% of all assets at the end of 1956 as against 32.6% at the 1955 year-end.

Aggregate holdings of industrial and miscellaneous bonds were placed at $19.9 billion at the year-end, up $1.7 billion. Their proportion of total life company assets at the end of this year was estimated at 20.7% compared with 20.1% at the end of 1955.

Total holdings of public utility bonds were estimated at $14.5 billion, up more than $500 million, and representing 15.1% of assets as compared with 15.4%. Railroad bond holdings were placed at $3.9 billion, practically the same as the year before, with the

(CONTINUED ON PAGE 13)

Franklin Life officials "cut the cake" at the conclusion of a successful and record-breaking president's campaign. Left to right are: Lillian Gilster, assistant director of sales promotion; George E. Hatmaker, vice-president and secretary; J. V. Whaley, vice-president and director of agencies; President C. E. Becker; Charles Becker Jr., vice-president, James A. Hands, vice-president and manager of agencies; R. A. Frederick, administrative vice-president; and F. J. O'Brien, vice-president and director of sales promotion.

Franklin Life Presidential Campaign Is Best Ever

Franklin Life's 1956 president's birthday campaign broke all previous records with $87,746,131 in new sales registered during the contest which extended from Oct. 15 through Nov. 30. Patterned on the theme, "Around the World with C. E. B.," the drive paid tribute to President Charles E. Becker and pushed past the record-breaking $85 million figure set by last year's campaign, when in one "C.E.B." day, Franklin agents produced more than $23 million. The contest this year placed special emphasis on the company's insured saving plans. Four leading producers and their wives will be awarded all-expense paid trips to the home office in Springfield, Ill., after the first of the year.

Here's What to Tell People Who Say Government Should Ease Money Rates

The basic cause of "tight money" is a great and abundant prosperity and high confidence in the future, which have combined to create a demand for credit and investment funds greater than the amount of money the people are saving. To meet this situation, we need to spend less and save more.

These views were expressed by Treasury Undersecretary Burgess at the 50th anniversary meeting of Life Insurance Assn. of America in New York City.

"A few months ago," Mr. Burgess said, "all too many people believed that 'tight money' was simply a result of policies pursued by the federal reserve system or by the Treasury. Your leaders have helped to explain that the causes of apparent scarcity of money run much deeper.

"In this country we are now going through one of the critical struggles to maintain sound money, as significant, perhaps, as the gold and silver arguments of the middle 90s or the discussions 20 years later which resulted in the establishment of the federal reserve system.

"This is a time when maintaining sound money inevitably hurts some people, and that means cries of distress and political pressures on the people or institutions responsible for government monetary policies.

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"It has been encouraging over recent months to find a growing public understanding of the issues, of the reasons why mortgage money, for example, is harder to get or why states, municipalities, and business are all paying higher prices for money."

Mr. Burgess cited the nation's population growth, the vast research programs of business and government, and the encouraging economic climate the government is providing based on sound money and sound economic policies, as major factors in the dynamic growth of the economy.

"It is no wonder," he continued, "that our total national product is breaking all records and that more people are working than ever before. All of this intensive activity takes money—more than ever before in peacetime. We must fund the money to finance this activity without inflation—without, in effect, printing new money.

"But the savings we as a people are making are still not enough to pay for everything we want to do. The demand is just much greater. Thus the first thing we must do is to exercise some restraint in spending—not to try to do everything at once. Higher money rates and tight money act as such a restraint. That is why the federal reserve system is allowing money rates to rise, as the demand for funds continues to outrun the supply.

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"The only sound way to finance more rapid economic growth is by increasing savings. Higher money rates themselves encourage savings. Higher rates mean that banks are offering their depositors greater inducements to save. Higher rates also make life insurance more attractive as insurance companies are able to raise their dividends to policyholders. Of course, these higher rates take time before they actually result in higher savings, but the American people have sharp pencils, and they are today responding to these more attractive rates."

Another incentive to save is confidence in the continuing value of the dollar, Mr. Burgess stated. Since 1952, he declared, we have enjoyed a remarkable period of price stability, reflecting the determination of the government to help keep the dollar sound.

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"Bursts of inflation," he said, "are too often the prelude to recession and unemployment. But if we continue present policies—with effective credit restraint, stable prices, and a growing interest in savings—our prospects for the sustained and vigorous growth of our country stagger the imagination."

Mr. Burgess thanked the life insurance business for its assistance and advice on the Treasury's financing problems and on the general economic situation. He was particularly appreciative of the support given by the life companies to mortgage financing through the voluntary mortgage purchase plan.

"Real estate financing was one of the areas hardest hit by scarce money," he stated. "Your efforts have been most helpful in meeting a real human need in making mortgage money available for low-cost housing in areas where it was scarce. Whenever the mortgage market is tight, the social and political pressure for putting the government directly into mortgage lending is very great. That we should avoid just as far as possible. It hurts the budget, delays tax reductions, and has all the disadvantages of extending governmental paternalism into the lives of our people."

Ohio National Policy Dividends to Increase

National Life policy dividends payable in 1957 will amount to 21% more than those paid in 1956 when both the increases in business and the increase in scale are reflected. Approximately one-third of the additional amount payable is due to the increase in dividend scale, the fourth such increase in the last five years. The increases are applicable to most policies issued on former rate bases, as well as to most policies of this current series.

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Increases also were voted in the interest rate payable in 1957 on policy and contract funds. Except where the guaranteed rate is higher, the interest rate declared on dividends left to accumulate is 3¼%, an increase of one-fourth of 1%. This increase rate is also applicable to policy proceeds being paid under supplementary contracts and eligible for excess interest dividends, except that the rate is one-fourth of 1% less for proceeds left at interest subject to withdrawal.

LAA Seeks Facts on Surveys by Companies

Goldie Dietel of Equitable Society, compiling information for a special Life Advertisers Assn. project, has circularized members to learn whether their companies have done research or surveys in specific areas.

The areas of content are sales proposals, consumer language for national advertisements, gaining readership for publications, merchandising a promotion to agents, and merchandising an advertising program to and through agents to the public.

Richard J. Anderson, assistant to the director of the Battelle Memorial Institute, will address Columbus Life Underwriters Assn., Jan. 21, on "Recent Developments in the Peaceful Uses of the Atom."

See '57 Money Demand Exceeding Supply

(CONTINUED FROM PAGE 11)

proportion of assets coming to 7.9% as compared with 9.5%. The decline in holdings of U. S. government securities, Mr. O'Leary stated, is a measure of the great pressure which lending institutions have been under this year to raise funds to meet the huge demands for capital funds.

Life company holdings of preferred and common stocks were estimated at $3.65 billion, virtually the same as the year before. All other assets combined were placed at $13.6 billion as compared with $12.7 billion.

Net investment earnings of all U. S. life companies in 1956 are estimated at approximately $3.3 billion, up $300 million. The net rate of investment earnings will approximate 3.63% as compared with 3.51% last year, and the rate after taxes will be about 3.33% as compared with 3.23%.

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Mr. O'Leary reported that the voluntary home mortgage credit program, which has been in full operation for a little over a year and a half, had placed loans for $208.5 million as of the end of October this year. The program, backed by life insurance companies and other private lenders, has the basic purpose of expanding the availability of government-insured and guaranteed mortage loans from private sources to credit-worthy applicants in small communities and remote areas and to minority groups, and thus to eliminate any need for direct VA mortgage loans or FNMA purchases of mortgages in these areas. From its inception through the end of October, 23,511 loans were placed, the overwhelming part to owner-applicants.

Mr. O'Leary gave some figures on acquisitions and sales of common stocks by life companies contained in data submitted to the Senate banking and currency committee for its study of the impact of institutional investment upon the stock market. The figures were based on the investment activity of 25 life companies, which at the end of 1954 owned approximately 85% of the common stock held by all U. S. life companies.

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Taking the 33-month period from January, 1953 through September, 1955, the figures showed that the 25 life companies acquired 13.3 million shares of common stock for a cash investment of $328 million and disposed of 4.3 million shares for $168 million. Only about one-third of the shares acquired in this period were purchased on an organized exchange, the balance being acquired in the over-the-counter market, through secondary distributions, or directly from the issuer.

As to the importance of life company common stock transactions on organized exchanges, Mr. O'Leary estimated that the purchases of the 25 companies on national and Canadian exchanges amounted to 18/100 of 1% of Securities & Exchange volume figures for the 33-month period, and that the total number of shares sold on these exchanges represented only 1/10 of 1%.

Arkansas Agents Tell Legislative Aims of '57

Representatives of life agent associations in Arkansas appeared before a special governor's insurance and banking study committee in Little Rock recently to make known its legislative objectives for 1957. Prime target of the Arkansas agents is the establishment of a model agent's qualification and licensing bill. Arkansas is one of 14 states which still has not adopted the written examination requirement for issuance of a license to a life agent.

Other legislative aims of Arkansas agents are the amendment of the state's group law to reduce from 25 to 10 the number of lives covered under a group contract and enactment of a 20/40 group limit formula; the enactment of an anti-tontine bill; an increase in appropriations for the Arkansas department with the establishment of a life division and life actuary; and stiffer regulations of both new companies and security sales of domestic insurers.

Pointing out that there are only three or four states still permitting the issuance of tontine policies, Arkansas life agents want to outlaw all forms of tie-in sales, including tontines, semi-tontines, so-called "estate builders," or "investment funds," and stock-with-policy schemes.

Life agents pushing for stiffer insurance laws in Arkansas have formed a group which is called Legislative Conference of Life Underwriter Organizations of Arkansas. This organization is composed of representatives from the Arkansas state association, the 13 local associations in Arkansas, Little Rock General Agents & Managers Assn., and Arkansas Leaders Round Table. The spokesman for this organization is Foster Vineyard, Aetna Life, Little Rock.

The governor's study committee is a five-man group named by Gov. Faubus several weeks ago and charged with conducting a study for proposed legislation that would strengthen Arkansas laws as concerns regulation of life companies, their organization and capital stock structures, sales of capital stock, and other matters. The governor's committee is headed by E. J. Jackson, assistant counsel for National Old Line of Little Rock.

National Farmers Union Buys Fidelity L.&D. Life Policies

National Farmers Union Life has assumed the life policy liability and certain assets of Fidelity Life & Disability by purchasing policies amounting to approximately $5 million in face value. Both companies are headquartered in Denver and policyholders are located mainly in Colorado, New Mexico, Utah and Arizona.

Harold F. Bowes, Phoenix Mutual Life, Milwaukee, was guest speaker at the December luncheon of Madison Life Underwriters Assn.

Milwaukee Life Managers & General Agents Assn. held its annual Christmas party at the Plankinton hotel.

Olshen of West Coast Hits New Mortality Table

(CONTINUED FROM PAGE 4)

portion of their total business has resulted from the so-called target plan or plans.

However, when a smaller company attempts to meet the competition by following suit they have found in many instances that well over half their business comes from the target plan. It is not so much the pressure of the deficiency reserve requirement of the small company which is the serious element but the fact that some of these rates have been so low that all of the future earnings have been hypothecated, at least from this plan, as the asset shares on a realistic basis would show that a profit from the plan would never be realized. Thus, a sufficiently high volume of such business can jeopardize the future solvency of the small company finding itself in this position.

The solution lies not in eliminating the deficiency reserve requirement but, to the contrary, in maintaining this floor under the rate structure. In fact, the deficiency reserve requirement has served as a safety factor in insurance regulation. While it is recognized that life insurance rates of themselves are not regulated as to maxima and minima, in effect, the deficiency reserve requirement was established for and has fulfilled exactly the purpose of maintaining a rate solvency level.

The sources of your information have apparently misled you to support the concept (1) that companies now are charging rates as low as the CSO net (for all plans) and would desire to pass on further reductions (for all plans) provided a new mortality table would be adopted which could be used without taking them to deficiency reserve requirements and (2) that such a table would be a boon to the newer, smaller companies by improving their competitive position and allowing them to reduce their rates below the CSO table. It would be very interesting if anyone could turn up any such "newer, smaller company" whose costs of operation, etc., could justify the use of a gross rate lower than the CSO net.

It is very interesting to note that when the CSO (1941) table was originally being proposed some articles were erroneously circulated to the effect that "now that the life insurance industry was eliminating its old American Experience table and substituting a modern mortality table the redundancy in premiums would be eliminated and premiums would generally be reduced to the public."

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The industry found itself in the position of having to spend considerable sums of money and put forth considerable effort to inform the public that a gross premium is arrived at from careful study of the total amount of funds needed by the life company to meet its mortality costs, its expenses, etc., and when thus determined the actual dollars and cents charged becomes independent of whether you load a net CSO, a net American Experience, a net National Fraternal Congress or any other table to obtain same—in other words, the public was informed that the substitution of the newer table of itself would not reduce gross premium rates.

This was so ably reported, with reference to the newly proposed mortality table, on page 11 of your Nov. 16 issue wherein your second paragraph reads: "These mortality improvements already have been reflected in the actual costs of life insurance to the public and thus the new table would have little effect on such costs." The following closing sentence of that article is also in conflict with your assumptions in the Nov. 9 article: "However, the adoption of the table would have little effect on the cost of insurance to policyholders, since the actual cost already reflects the improvements in mortality, through the dividend scale in mutual companies and through the gross premiums charged in stock companies."

The adoption of a table such as proposed, with as "thin" a margin and as "narrow" a base as that proposed, in my opinion, would do a gross disservice to the smaller non-participating companies as well as (in the long run) the general insurance business and the public at large. Such a proposal brings back recollections of some of the testimonies at the time of the Armstrong investigation relative to competitive practices which brought not only insolvencies but general ill repute to the industry as a whole.

Having had some association with insurance department regulation, I have serious doubts that the NAIC at its meeting in Miami will adopt the proposed table at this time with its tremendous, far-reaching effects, without there even having been a broad, comprehensive evaluation of the effects nor an open industry hearing in advance.

Brown of Colonial Says Foes of Table Mistaken

(CONTINUED FROM PAGE 4)

prevented from so doing are the small companies and their competitive position will therefore be much worse. The true interest of the policyholders, the small companies and the insurance industry requires the prompt removal of this artificial barrier, namely, the present valuation standard, the 1941 CSO table, coupled with the deficiency reserve statute, to the lowering of non-participating premiums and its replacement by a safe modern table.

The study made by the committee of the Society of Actuaries and the committee appointed by the National Assn. of Insurance Commissioners is sufficient proof that the table presented to the commissioners is safe and suitable for valuation of currently issued policies.

In any company, its own experience and judgment of future experience in expenses, interest and mortality, etc., should be the basis for setting premium rates and not the deficiency reserve statutes when used with an old valuation table.

In conclusion, it must be pointed out that the use of this table is intended to be optional with the company. Consequently, participating companies and those companies which do not wish to use it should have no concern.

Implications of '600-Mile City' Traced by Panel

(CONTINUED FROM PAGE 7)

ing income levels. Both people and industry are moving farther and farther out to find the space they want and need, he said. Despite this trend, he said there was little to worry about the danger of a shortage of farmland or recreational space for our growing population.

Mr. Whyte discussed the sociological consequences of the transformation the country is going through.

Despite this post-war trend toward uniformity and interchangeability, Mr. Whyte said, the desire in people for difference is likely to bring a change in the future. Instead of the uniform mass housing which has been so characteristic of the last decade, he continued, he foresaw a sort of fragmentation in the future, with a series of communities each catering to a different age and income group.

Mobility is the dynamic influence in this trend, Mr. Whyte stated, and continued:

"The important thing about this mobility is that it breeds more mobility; for once a person has learned to adapt himself, to shift, to change environments, that much easier is it for him to adapt to yet another and to desire another when the time is right."

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One of the major consequences of the growth of "Interurbia" is its impact on the manpower problem, already difficult in many areas, said Mr. Strouse. The core of the manpower problem, Mr. Strouse said, is the fact that the non-productive part of the population has been showing a faster rate of growth than those in the productive ages.

Declaring that the current manpower shortages apparently will continue through the next decade or so, according to statistics, Mr. Strouse continued:

"The dispersion of many types of businesses away from the large cities will provide ample opportunity for the full or part-time employment of individuals who must work within minutes of home, if they are to work at all. . . .

"With at least a 50% increase in gross national product in 1965 over 1955, and with only an 8% increase in our effective working force, and an actual decrease in the development group between 25 and 45 years of age, the art of management faces a challenge in the human field of action not unlike that met so successfully in the field of production."

Mich. Assn. Hears DeYoung

Jay DeYoung, Jay DeYoung & Associates, addressed Western Michigan Assn. of A&H Underwriters at the December meeting.

Discuss Compulsory Ability Criteria for Actuaries

(CONTINUED FROM PAGE 8)

found that a larger number felt that an employer who self-insures a group A&S plan must obtain a license as an insurer and become subject to insurance regulation.

Thomas P. Bowles Jr. of Bowles, Andrews & Towne pointed out that a consulting actuary for small companies must be prepared to act as a management consultant.

R. Wesley Shope of Huggins & Co. said that one of the current problems facing consulting actuaries is that resulting from mergers, consolidations, and purchases of small companies.

John K. Dyer, Towers Perrin, reported on the activities of the committee on experience under self-administered retirement plans.

F. P. Sloat of Terribery & Co. felt that a consulting actuary must not urge or direct a client in making his decisions. Keath P. Gibson, Towers Perrin, said there are two types of employers; those that depend entirely on the actuary and those that want to know all the details. B. Russell Thomas, Wyatt Co., said the consulting actuary's duties depend on how far the employer has gone in the installation of the pension plan.

Stuart J. Kingston, consulting actuary, described the many kinds of consulting actuaries that practice and that the service an employer can expect will depend on the particular kind of consulting actuary that he chooses.

Mr. Sloat explained that the consulting actuary must explain to the employer the results of various methods of valuations and the underlying assumptions.

Henry E. Blagden, Prudential, said more emphasis should be put on explaining what the ultimate cost will be irrespective of the initial cost.

William F. Marples of George B. Buck said that a consulting actuary must use similar existing plans, with similar persons covered and in similar climatic conditions, as a guide to cost of proposed new plans.

Samuel N. Ain, consulting actuary, explained the four major changes resulting from the revisions in the Internal Revenue Department regulations concerning pensions and profit-sharing plans. Sam H. Huffman, Wyatt Co., said that he would recommend a cash profit sharing plan for regular employes and a deferred plan for executives and supervisory personnel.

Claim Convention Set

International Claim Assn. will hold its annual meeting in Atlantic City, N. J., at the Chalfonte-Haddon Hall, Sept. 8-11. The convention opens with a reception Sunday evening to afford older members opportunity for reunion and new members a chance to meet fellow delegates.

Adams Cites Effort to Undermine State Control of Insurers

NEW YORK—Future implications of federal versus state regulation of the insurance business, the growth of group life and A & S insurance, and the improved mortality experience of the companies were discussed by Claris Adams, executive vice-president and general counsel of American Life Convention, in an address at Life Insurance Assn. of America's 50th anniversary meeting.

Claris Adams

Mr. Adams pointed to the broad influence of LIA on the insurance business over the years, the strength and quality of its leadership, and to "the magnitude of the service which it renders so expertly."

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Turning to government supervision of the insurance business, Mr. Adams said the policy of state regulation of life insurance has been challenged time and again in past years, but until now has not been changed.

"However, two Senate subcommittees have questioned the efficacy of state control and suggested consideration of amending the McCarran act in the recent past," he continued. "A month ago it was reported that 'a qualified source' in the SEC predicted a review of the 'basic over-all problem of the relationship of federal regulation to the insurance industry.' And an attempt of the FTC to exercise jurisdiction over insurance advertising in a case which by implication would give that body the power to police all operations and practices of the companies alleged to be unfair or deceptive is now in the courts."

Mr. Adams said that state supervision now rests on simple statutory authority.

"It is a mere matter of congressional policy," he said. "The issue probably will be a recurring one. The outcome doubtless will be determined by events. There is one certainty: The best defense against federal regulation is to justify public faith in state supervision."

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Commenting on the growth of group life insurance, Mr. Adams said it is not apparent that it "has made its remarkable gains, primarily at least, at the expense of ordinary. I hope that it never will. My chief concern in this area is that neither social security nor group insurance will be so far expanded beyond its legitimate social purpose that we will develop a philosophy among oncoming generations that the major part of a man's security should be provided either by government or employer instead of through voluntary personal savings."

The recent widespread entry of companies into the A&S field is of great significance, Mr. Adams said.

"There is no more sensitive political area than that of medical care, hospitalization and disability benefits for the public at large," he went on. "Private carriers are in a race against time with proposals for governmental intrusions. I am convinced that sooner or later the cost of medical care will be insured generally in this country in some way by someone. I hope that, to the greatest extent practical, the job will be done by private insurance."

Discussing the size and strength of the life insurance business, Mr. Adams said that "the life insurance record is one of great growth, genuine achievement, and real progress. However, the underinsurance of life values in America remains a continuing challenge. We have not yet approached the practical limits of our possible service to society."

Life insurance has greatly broadened its service in the past years, Mr. Adams said, and this liberalization in underwriting has been made possible "by improved mortality experience due to the advance in medical science, health education, public sanitation, and improved dietary habits of the populace. Indeed the improvement in mortality has been so marked in recent years that a revision of the new commissioners' table, which was adopted generally only about 10 years ago, is being urged in some quarters."

Wis. Supreme Court Upholds Pru. Denial of $12,500 Policy

The Wisconsin state supreme court has upheld a judgment by Civil Judge Rahr, Green Bay, allowing Prudential to refuse payment on a $12,500 life policy to the widow of a Green Bay man. The high court affirmed Judge Rahr's judgment that Kenneth Gibson of Green Bay had withheld required information from the examining doctor for Prudential when the policy was taken out.

Mr. Gibson died of cancer in 1953, less than two years after he was examined by a Green Bay doctor for the policy. Mr. Gibson, who had visited another doctor several months before because of a lump he had, did not tell the examining doctor for Prudential that he had done this. However, the company doctor said the lump did not affect Mr. Gibson as an insurance risk. Yet, another doctor later removed the lump after diagnosing it as a tumor.

An award by jury of the insurance money to Mrs. Gibson was set aside by Judge Rahr in 1955, and Mrs. Gibson had appealed this case on grounds that the estoppal statute applied.

This statute provides that when an examination is made by a medical examiner for an insurer and the doctor approves the application that the company then is precluded from the defense that the applicant was not in good health at the time of delivery of the policy.

COMPANY & AGENCY CHANGES

John Hancock

Carl V. Lindstrom, assistant secretary since 1953, has been appointed claim director, under **Laurence B. Gilman**, 2nd vice-president, claims. **Paul Gilday** and **Albert C. Kunstler**, claim consultants, have been elected assistant secretaries. **Walter W. Jenkins** and **Eric Ward**, assistant claim consultants, have been promoted to claim consultants. Mr. Lindstrom, with John Hancock for 37 years, is chairman of the life committee of International Claim Assn. and vice-chairman of Eastern Life Claim Conference. Mr. Gilday, with the company since 1928, became district inspector in 1932. Mr. Kunstler, with the company 38 years, was assistant department manager before being appointed claim consultant in 1953.

Great-West Life

Two promotions have been made in the Great-West Life comptroller division. **J. A. Hillman**, formerly an assistant comptroller, has been promoted to associate comptroller and **W. P. Latournerie** has been named assistant comptroller. Mr. Hillman joined the company in 1951 as chief accountant and last year was appointed an assistant comptroller. Mr. Latournerie joined Great-West Life in 1932 and served as supervisor in several areas of the comptroller division and was appointed manager of premium collections in 1954.

Sun Life of Canada

H. R. Facey has been appointed superintendent of agencies for group sales and **W. F. Watson**, assistant superintendent of agencies, has been appointed Sun Life's group pensions officer. **A. A. Ingalls** has been named assistant superintendent of agencies and **W. B. Keith** has been appointed agency secretary. Other appointments are: **C. L. Brodie**, superintendent of claims while continuing in charge of the A&S claims department; **T. M. Galt**, associate actuary; **A. C. M. Robinson**, assistant actuary, and **J. G. Ireland**, assistant group actuary.

Also, **W. J. Hulbig** and **B. R. Ritchie**, assistant general counsels; **W. J. McCarthy**, assistant treasurer and **J. W. Popkin**, economist, in the investment department, and **L. M. Clark**, formerly supervisor, planning department, assistant planning officer.

Ohio National Life

Walter C. Kautz has been named mortgage loan secretary and **Charles G. Brown** has been promoted to securities secretary. Mr. Kautz joined the company in 1946 and has been mortgage loan supervisor since 1952. Mr. Brown joined in 1949 and has been a securities analyst.

Lincoln National Life

Donald A. Pahl has joined the reinsurance department of Lincoln National Life as reinsurance supervisor. He has been in insurance for seven years, five years as a senior underwriter and two years as an underwriting department manager.

Equitable Society

Harry F. McGurk, with the company since 1926, has been appointed assistant superintendent of the correspondence division in its policy issue and service department. He had been in policy claims department for 10 years before transferring to the policy issue and service department in 1936.

Occidental of Cal.

Stanley L. Gaskins has been appointed advertising assistant. He has been advertising manager of a home development firm in Cincinnati.

Guardian Life

G. Russell Clark, executive vice-president of New York Clearing House Assn., has been elected a director. He joined the clearing house in 1919, advancing to assistant manager in 1937 and manager in 1948. His title was changed to executive vice-president in 1954.

Bankers Life of Iowa

Donald Gatchell, with the Gudmunson agency of Bankers at Sioux Falls, S.D., has been appointed a field supervisor, effective Jan. 1. He will move to the home office at Des Moines to assume his new post. Mr. Gatchell joined Bankers Life as a member of the Sioux City agency at Yankton, S. D., in 1951.

Pacific Mutual Life

Martin G. Strieter has been named superintendent of the company's group department issue division. He joined Pacific Mutual in September after seven years of insurance experience in the midwest.

Bankers National Life

H. Horton Humphrey, Newark general agent since 1947 for Aetna Life, has been appointed general agent of the home office agency. He entered life insurance in 1935 with Travelers, going with Aetna Life in 1942 at Baltimore. Mr. Humphrey was president of Northern N. J. Life Underwriters Assn. in 1950, and president of Northern N. J. General Agents & Managers Assn.


H. H. Humphrey

Pacific National Life

John Masone, formerly with Pacific National Life at Berkeley, has been appointed a home office agency supervisor. His initial assignment in the new post is the development of general agencies in Montana, especially in Butte, Great Falls and Missoula. While working in this area, Mr. Masone will have offices at the Evans agency of Pacific National at Butte. Mr. Masone was in insurance for five years before joining Pacific National.

State Life of Indiana

Edward E. Fisher, formerly with Commonwealth Accident & Life and then later with Metropolitan Life at San Antonio, has been appointed San Antonio agency manager for State Life of Indiana, with offices on the sixth floor of the Maverick building. He succeeds the late **W. F. C. Arnold**, who was with State Life for more than 30 years.

United Benefit Life

A. S. Quinn Jr. has been appointed manager of the Topeka district office of Mutual Benefit H.&A. and United Benefit Life. He has been with the company since 1946 when he joined the Morgan agency at Atlanta. He was made sales manager there in 1950 and in 1956 was named southern regional director for the sales division. He is a past president of Atlanta A&H Assn.

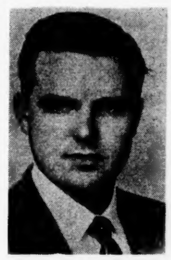
Old Line Life

Two staff members of Buckman agency of Milwaukee have been appointed vice-presidents. **Jerry E. Clifford** will be in charge of agency development and **Norman D. Hempe** will supervise advanced underwriting. Mr. Hempe has been with the Old Line Life agency for 11 years and Mr. Clifford has been an agent there for nine.

Travelers

Malcolm C. Holliday has been appointed manager at Quebec, **David W. Erwin** at Houston, **John S. Small** at Omaha, **Malcolm W. Dunlevie** at Newark, and **Wilson W. Meunier** at Springfield, Mass. **Harold K. Myers** has been named brokerage manager at Cleveland. Mr. Holliday, assistant manager at Quebec since July, joined the company as a field supervisor at Montreal in 1953. Mr. Erwin, manager at Omaha since 1955, joined the company as a field supervisor at Dallas in 1948 and was advanced to assistant manager at Dallas in 1951. Mr. Small entered the business with Travelers as a field supervisor at Newark in 1951 and was promoted to assistant manager in 1953. Mr. Dunlevie, manager at Houston since January, joined the company as field supervisor in Atlanta in 1949 and became assistant manager in 1951. He became assistant manager at Jacksonville in 1953 and manager at Miami in 1954. Mr. Meunier joined the company as field supervisor at Springfield in 1952 and was named assistant manager in 1954. He was named manager at Hartford in 1955. He previously was with Phoenix Mutual and New England Life. Mr. Myers joined the company at Cleveland in 1936, becoming field supervisor in 1937 and assistant manager in 1950.


M. C. Holliday


J. S. Small


D. W. Erwin


M. W. Dunlevie


W. W. Meunier

Fifty-seven other field appointments have been made. Field supervisors promoted to assistant managers are Carl Arnett, Birmingham; Carl J. Adams, Little Rock; Glynn T. Price, Los Angeles; Wilfred W. Knight, Washington; Herschel I. Riley, South Bend; Edgerly E. Watts, Des Moines; John E. Peterson, Boston; Allan J. Urquhart, Springfield, Mass.; James W. Glatz and Gerrit J. Van Westenbrugge II, Grand Rapids, Mich.; Wallace L. Sandberg, Minneapolis; Jeriel C. Moen, St. Paul; Lloyd A. Krone, Kansas City; John S. Smith, Newark; Richard J. Cully, Youngstown, O.; John S. Earwaker Jr., Philadelphia; James R. Umbarger, Pittsburgh; James D. Bostic, Nashville; J. A. Wayne Hinson and Woodie R. Ivey, Dallas; Alva H. Graham, Lubbock; Alexander E. Beddow, San Antonio; James R. Davis, Charleston; Franklin W. Gogins, Jr., Milwaukee; Alan A. Lister, Calgary; J. Gordon Dawson, Ottawa; W. Roy Shepherd, Toronto, and Jackson G. Pollock, Hamilton.

Agency service representatives appointed field supervisors are Edward C. Alger at San Francisco; William O. Tielert, Bridgeport; Webster T. Copp, Hartford; Thomas H. McAboy, Miami; Maynard A. Noble, Chicago; John W. Hall, Peoria; Ray Wharton, South Bend; George P. Munsey III, Worcester; Glen W. Dahl, St. Louis; C. Robert Edman, Kansas City; Leslie T. Seely, Jr., Newark; William R. Foster, Albany; William C. Huntress Jr., Philadelphia; Donald N. Lautner, Pittsburgh; George J. Eckert, Jr., Nashville, and William B. Snyder, Lubbock.

Assistant managers transferred are Neal S. Sutton, from Houston to St. Louis; Dean D. Plumpton, from Worcester to New York City; Blaine F. Olsen, from Columbus, O., to Salt Lake City, and Joseph H. Kovacs, from Youngstown to Milwaukee. Field supervisors transferred are Stanley F. Hopper, from Oklahoma City to Fresno, and E. James Lyman, from Sioux City to Wichita.

Robert B. Green has been appointed agency service representative at Wilmington. Agency service representatives transferred are Robert B. Ellingwood, from Hartford to Washington; Ralph O. Osteen, from Nashville to Jacksonville; Earl H. Bell, from Dallas to New Orleans; Orrin A. Tubbs, from St. Paul to Kansas City; R. Edward Searles, from Providence to Albany, and Michael H. Roberts, from St. Paul to Cleveland. The headquarters of Robert B. Edwards, assistant manager, has been changed from Albuquerque to Denver; the headquarters of Bruce Beaven, assistant manager, has been changed from Denver to Albuquerque; and the headquarters of Irvin D. Martens, assistant manager, has been changed from Omaha to Lincoln, Neb.

Security-Connecticut

Robert W. Carr has been appointed general agent in New Hampshire with headquarters at Laconia. Mr. Carr started in life insurance with Aetna Life in 1945. He was formerly chairman of the insurance committee of the New Hampshire house of representatives.

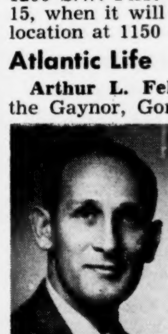
Home Life of N. Y.

William Rafkind has been named manager of a new agency in Miami, the second opened in that city within four months. Mr. Rafkind entered the business seven years ago at Miami and has been associate general agent in charge of John Hancock's Miami branch of its Jacksonville agency. He is a life member of Million Dollar Round Table and a graduate of the Purdue institute. His agency will be at 1200 S.W. First street until after Jan. 15, when it will move to a permanent location at 1150 S.W. First street.


William Rafkind

Atlantic Life

Arthur L. Feldman, formerly with the Gaynor, Gordon & Co. agency at Miami, has been appointed general agent there. **Daniel A. Willis** has been named associate manager at Baltimore. Mr. Feldman started in insurance in 1939 with M. C. Feldman & Co., Inc., at New York. Mr. Willis was in the business seven years with Berkshire Life before joining Atlantic Life.


A. L. Feldman

Kansas City Life

William F. Bowers has been appointed general agent at Minneapolis for Kansas City Life. Previously he was with the Eby agency in Wichita.

Ohio National Life

George N. Wade, general agent at Harrisburg, Pa., for 36 years, has resigned from active directorship of the agency, effective Jan. 1. His brother, **Ken B. Wade**, manager of the agency's Lancaster branch, will become general agent. Mr. Wade, recently reelected to a to a fifth 4-year term as state senator, said he would devote full time to his legislative post. He was a factional candidate for the Republican nomination for lieutenant-governor in 1950, and policital speculation has it that he will seek the GOP gubernatorial nomination in 1958.

Equitable Society

Appointed unit managers are **C. Todd Brenneman**, Williamsport, Pa.; **Lester A. Varano**, Wilkes-Barre, Pa.; **Robert H. Colt**, New York City; **Leonard T. Eckstrand**, Seattle; **Larry S. MacDonald**, Sheboygan, Wis., and **William H. Meyer**, Beloit, Wis.

Bankers Life of Iowa

C. E. Britton, formerly with Southland Life, has been named agency manager for Bankers Life at San Angelo, Tex. He replaced **Paul Mann**, who has resigned. Mr. Britton entered insurance in 1953 with Southland Life.

Monumental Life

Harold J. Werner has been named district manager at Wilmington. He joined Monumental at Chicago in 1947 and was promoted to assistant manager in 1953. He has been training for a managerial post since 1955.

RECORDS

UNITED BENEFIT LIFE—The company marked its 30th anniversary with a record $33,612,460 in new business in November. The total eclipsed the previous 1-month record by $500,000 and carried the company 10% above the $60 million goal set for its annual manager's contest in October and November. Life insurance in force exceeds $1.6 billion. Production for the first 11 months was within $2 million of the 1955 total and is expected to top last year's figure by 10%. Much of the credit for this record was given the new "double M" policy, which appeals to buyers of $25,000 or more.

AMERICAN UNITED LIFE—November, the 79th anniversary month, was highlighted by a record $22 million paid-for sales volume. Ordinary life sales so far this year are up 38%.

BANKERS LIFE OF IOWA—New business for the first 11 months of 1956 totaled $253,858,412, an increase of more than $29 million over the same period last year. Of this total $150,786,636 was ordinary and $103,071,776 was group. November production totaled $21,291,547, including $15,600,081 in ordinary and $5,691,466 in group. Total in force reached a new high of $2,616,210,805 at the end of November, and of this total $1,623,019,120 is ordinary and $993,191,685 is group.

BUSINESS MEN'S ASSURANCE—Biggest sales for any single month were reported at the close of November. Combined A&S, group and life production was 15% over the record November sales last year. Life sales for November this year were $30,050,303, an increase of 39% over last year's record. Life insurance in force now totals $1,140,110,525.

Carrying on a 37-year tradition, Nobember was designated as Grant Month, with the entire company's sales efforts dedicated to the company's founder, the late W. T. Grant. Winner of the annual Grant month trophy was Jack Curry of Los Angeles, and leading individual producer of premium volume was Frank Rocks of Chicago. H. G. Horn of Portland was high for paid life with $686,625 for the month. The Portland branch, managed by Mr. Horn, lead all B.M.A. branches and established the highest monthly production ever recorded. Twenty branches exceeded their records set last November and 17 set new all-time highs.

UNION MUTUAL LIFE—Sales of life and non-cancellable A&S were up 17 and 33%, respectively, during a 2-month "get out the vote" sales campaign in October and November. These were new records for a fall sales campaign.

Oakland-East Bay Agents Party

The Oakland-East Bay Life Underwriters Assn. held its Christmas party at Villa De La Paix in Oakland. More than 100 prizes were contributed by the Oakland-East Bay General Agents & Managers Assn.

Milwaukee Cashiers Elect Officers

Milwaukee Life Insurance Cashiers Assn. has named Martin P. Larson, Old Line Life, as president; Harold M. Benitz, Prudential, vice president; Mrs. Palma Saxton, Penn Mutual, secretary, and Mrs. Mildred Clatworthy, Mutual Benefit, treasurer.

Frederic W. Ecker, left, president of Metropolitan Life, who was elected chairman of the board of Institute of Life Insurance at its annual meeting last week, is greeted by the retiring chairman, Edmund M. McConney, retiring president of Bankers Life of Iowa.

Macomb, 29th Ill. Association, Gets Its NALU Charter

The NALU charter certificate was presented recently to the Macomb Life Underwriters Assn., the 29th local association in Illinois, by A. F. Moore, Northwestern Mutual Life, Ottawa, Ill., development chairman of the state association. There were 18 agents at an organizational meeting for the new association last June, and by the time the charter was presented membership had grown to 25 and several prospective members had been lined up. It is expected that the size of this new Illinois association will grow to at least 40 agents.

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Charter members and their wives were present to witness the presentation of the certificate and to hear the message of Mrs. Florence M. McConnell, John Hancock, Galesburg, immediate past chairman of Women's Quarter Million Round Table. The new association also received the congratulations and well-wishes of Lorene W. Crawford, executive director of the state association; State Director Luther A. Linman, Guarantee Mutual, Galesburg, and Carl E. Lindstrom, Travelers, Evanston, state association president. Other "wheelhorses" of the state association present were James Kenny, Metropolitan, Springfield; Edward Kennedy and Taylor Stitt, presidents of local associations at Galesburg and Springfield respectively, and Arnold Serenius, national committeeman from Rock Island.

The new association already has gained local recognition for lending its effort to "service." The association took over the McDonough County TB association's 50th annual Christmas seal campaign.The association also took a "full page spread" in the Macomb *Daily Journal*, complete with photograph of the association members and the McDonough county seal sale children. Officers of the new association for the first year are James R. Garner, Northwestern Mutual, president; Raymond F. Keller, Prudential, vice-president; Chester J. Kowal, Connecticut Mutual, secretary-treasurer, and Floyd T. Russell, Franklin Life, national committeeman.

The office of the Oregon Insurance Department has been moved to 430 Ferry Street, Salem.

Woodward of Equitable to Retire at Columbus

George J. Woodward, manager at Columbus, O., for Equitable Society, is retiring after 29½ years in management, the last 20 of them at Columbus and Cincinnati. He will remain in an advisory capacity to the agency which, after his retirement, will be divided with one agency at Columbus and a new agency established in Akron.


George J. Woodward

Samuel T. Selby, whom Mr. Woodward brought into the business in 1948, will take over the Columbus agency, and Milan B. Johnson, formerly at Milwaukee, will assume management of the new Akron agency on Jan. 1.

Mr. Woodward, a native of Kansas and one time head coach of Kansas State college, entered the business with Equitable Society at Topeka. He later was named district manager at St. Joseph, Mo., and then later at Wichita. He was manager at Cincinnati for 10 years before going to Columbus in 1946.

Production at the Woodward agency for 1956 will total approximately $22 million of ordinary business, with more than $350,000 in first year commissions paid to members of the agency. Mr. Woodward is credited with bringing four Equitable Society managers into the business. Announcement of his retirement was made this week at a Equitable luncheon in Columbus.

Appoint Membership To 5 NFC Committees

Louis E. Probst, supreme chief ranger of Independent Order of Foresters and president of National Fraternal Congress, has appointed the personnel of three standing committees and two additional committees. The standing committees and the chairman of each are: Law committee, Luke E. Hart, supreme knight of Knights of Columbus; revision of blanks committee, Samuel Eckler, Independent Order of Foresters, and security valuations committee, Joseph H. Sudimack, Greek Catholic Union. The two additional committees and the chairman of each are: public relations committee, Miss Gretchen M. Pracht, Lutheran Brotherhood, and general welfare and lodge activities committee, Max B. Hurt, executive vice-president of Woodmen of the World, Omaha.

Richard B. Drake has rejoined the Mueller agency of Provident Mutual Life at Indianapolis after a tour of duty as an army officer.

State Mutual Names Long V-P, Head of Agency Division

State Mutual has promoted Joe B. Long to vice-president and head of the agency division. He also becomes a member of the management executive committee.


Joe B. Long

Mr. Long, director of agencies since 1954, joined State Mutual as superintendent of agencies in 1952 after 13 years with Provident Mutual. He is a former newspaperman.

The **Penn Mutual Life** general agency in Madison, Wis. and the Washington National group department have moved into offices in the new Professional building at 415 West Main street.

WANT ADS

Rates—$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

Court Fight Looms over Ruling on Welfare Funds

(CONTINUED FROM PAGE 1)

ance companies at a highly unfair competitive disadvantage.

The life companies are taking the lead in plans to get Attorney-general Javits ruling set aside, but casualty insurers have a big stake too, in the outcome, because of their group A&S and hospitalization plans.

The basis of the insurers position is that the attorney-general's ruling is wrong. Interested insurers have not yet decided on the most effective legal approach to the problem of getting the attorney-general's opinion set aside. Aside from any other that might be tried, there is always the possibility that a group of union members facing conversion of their benefit plan from insured to self-insured status, would be sufficiently dismayed at the possibility of irresponsible administration to bring suit to have the New York attorney-general's ruling declared erroneous as being in conflict with the law.

As pointed out in the brief filed by Life Insurance Assn. of America and American Life Convention some months ago, in the minds of the hundreds of thousands of beneficiaries of these plans, "they have insurance coverage, with the security, the protection against insolvency, and the capacity to perform that the term 'insurance' today conveys."

Exposures in the last couple of years of welfare fund racketeering and lax management should make union members extremely wary of letting their welfare funds be subject to the proforma type of regulation that would exist if these funds are held not to be subject to the insurance laws. In his report to the New York insurance superintendent, special counsel Maring House said:

"Comprehensive regulation is common in situations where a fiduciary relationship exits. In the case of insurance companies and banks, where the individual savings of many are concentrated in and controlled by a relatively few large institutions, the state has seen fit to extend its authority in the public interest.

"The accumulation of billions of dollars in welfare and pension funds intended for the benefit of working people has created a comparable situation and a comparable need for state supervision. The beneficiaries of these funds are many. Their separate means are small. They do not have the time, the knowledge or the financial resources to protect themselves."

As against being entirely free of regulation, as they would be under the Javits opinion, jointly administered welfare funds would be subject to these safeguards if they were held to be insurers:

1. They would be under the supervision of the insurance superintendent. Thus, employes and dependents covered by the plans would enjoy the protection of departmental regulations.

2. Each plan would have to have adequate capital and surplus and make a deposit with the department, thereby protecting employes and dependents against insolvency.

3. Income would have to be sufficient to be sure of making payments promised to employes and dependents, self-supporting on reasonable estimates as to mortality, morbidity, expenses and interest.

4. Each plan would have to issue certificates to each insured employe outlining his benefits and rights as well as those of his dependents. These certificates would be subject to insurance department approval.

5. Employes would have to be given a conversion privilege on life insurance coverage on termination of employment—a particular advantage to older employes who may have become uninsurable.

6. Aggrieved claimants would have access to the insurance department's complaint bureau for review of their disputes with any plan.

The insurance companies planning action on the Javits ruling do not contend that the insurance business that is involved should be written through them. But they do assert that whatever organization performs this insurance business should comply with the protective regulatory standards of New York. It is their opinion that the citizens of this state are entitled on the grounds of public policy to the same protection of their expectation of benefits from these plans as are the policyholders of insurance companies.

In his ruling, Mr. Javits contended that since a welfare fund administered by a union alone is exempt from the insurance law, it follows that a fund jointly administered by trustees representing the union and the employers should also be exempt. He said he also believes Article III A of the insurance law and Article II A of the Banking Law "exhibit an implicit awareness on the part of the legislature that jointly administered funds are exempt from licensing under that section. Added in 1956, both articles deal specifically with employe welfare funds and their supervision by the state and both reveal a legislative intent to adopt a scheme of public regulation peculiar to such funds in a sense equivalent to that exercised over licensed insurers."

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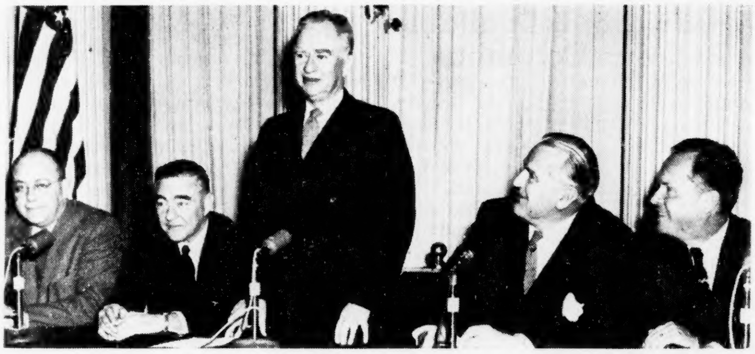
Finally, Mr. Javits said, he was impressed by Superintendent Holz's statement that no proceedings were ever taken by the insurance department against jointly administered funds that dispensed benefit payments.

"It is a well established rule of statutory construction," he said, "that the uniform interpretation of a statute over many years by those charged with its administration and enforcement is entitled to great weight particularly where the statute is not too plain and room is left for interpretation. If indeed the lack of any action by the insurance department reflects that department's interpretation of section 446 of the insurance law as embracing jointly administered welfare trust funds, then I regard that fact as lending compelling additional support to my own consideration of the problem."

What Mr. Javits did not comment on was the fact that the insurance department's counsel has consistently ruled against permitting jointly administered funds to self-insure. What actually happened was that most of these funds that wanted to self insure went ahead and did so without bothering to inform the department.

MORRISON CURRY, 68, retired cashier of the Northern California agency of Mutual Benefit Life, died at his home in San Leandro, Cal. Prior to his retirement about four years ago, Mr. Curry was the oldest member of the agency staff in San Francisco in point of service.



PANEL ON TOMORROW'S LEADERS: Participants in the panel discussion on "Where Will Tomorrow's Leaders Come From?" at the annual meeting of Life Insurance Assn. of America in New York are, left to right, Thomas A. Bradshaw, president Provident Mutual Life; Roy E. Larsen, president of Time Inc.; Lyman Bryson, counselor on public affairs of Columbia Broadcasting System; Walter H. Wheeler Jr., president Pitney-Bowes, Inc., and Horace W. Brower, president Occidental Life of California.

Crystal-Gazing, Nostalgia at LIA 50th Anniversary

(CONTINUED FROM PAGE 1)

Bowes, Inc. Moderator was Lyman Bryson, Columbia Broadcasting System's counselor on public affairs and for many years a professor at Teachers College, Columbia university who did a deft and witty job of keeping things lively and well-coordinated.

Mr. Brower, the opening speaker, said managers and junior officers should be regarded as a pool from which senior executive material may be drawn and if this isn't the case, it might well indicate defects in educational or training methods being used. He said that the man who has passed the usual screening should be watched for additional qualities such as knowledge of job and the company as a whole, being a good speaker and listener, ability to impart knowledge to others, ability to organize and perform work with a minimum of errors, a good memory, flexibility, emotional stability, good health, interest and liking for supervisory work, good morals and personal habits, and—very important —ability to get along with people.

Mr. Bradshaw said that if he were picking a young potential leader he'd look for a man who thinks beyond his job, who has an awareness of the implications of his work, particularly with regard to public relations. He should have the technical ability he needs in his job, of course, but in addition Mr. Bradshaw would want him to participate in civic and charitable work, to take an intelligent and active interest in politics though not necessarily to the extent of running for office. He would be aware of his proper role in participating in the solving of public problems.

There is a lot of kidding about committee work, said Mr. Bradshaw, but he believes in committee work when looking at young potential leaders, as it gives an opportunity to see how they operate in such surroundings.

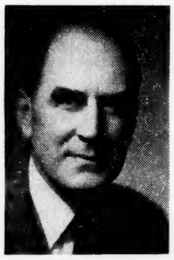
In summing up, Mr. Bryson said that if the insurance business differs in any way from other businesses, it is apparently in making greater claims on the moral qualities of its leaders.

Other talks at the 50th anniversary meeting that have not already been covered will be reported in next week's issue.

HOMER O. WHITE, 66, associate actuary of Fidelity Mutual Life since 1944, died after a long illness. He had been with the company since 1920 and was active in Life Office Management Assn.

Phoenix Mutual Names Stone Executive V-P; Promotes Steffanson

Phoenix Mutual Life has elected Lyndes B. Stone executive vice-president and named B. B. Steffanson an administrative officer with the title of underwriting secretary.



L. B. Stone

Charles J. Lyon, president, treasurer and trustee of Society for Savings, a Hartford bank, has been elected to the board.

Mr. Stone, in charge of investment operations for the past two years, joined the legal department in 1931. He became head of the mortgage loan division, advancing to secretary and later to vice-president. He was elected a director earlier this year.

Mr. Steffanson joined the actuarial department in 1925. He entered the underwriting division four years later and was named manager in 1955.

Efforts to Buy NW Nat'l. Stock Continue, but Slower

(CONTINUED FROM PAGE 1)

court to determine whether Dallas Union Securities and Life Insurance Investors is entitled to Northwestern stockholder lists. Great Southern's offer to buy Northwestern stock expires Dec. 21, but it is understood this offer may be extended to Jan 18.

In a hearing in district court on speeding up the case, John C. Benson, attorney for Northwestern National, said the company needs time to prepare its case and must have an opportunity to examine persons connected with Life Insurance Investors and Nationwide Corp., an investment subsidiary of Nationwide Mutual (the casualty insurer.) Northwestern has charged in court that these two companies are affiliated in an effort to get control of Northwestern National. Life Insurance Investors have denied this.

The battle for control and offers and counter-offers for stock of Northwestern is expected to continue until just before the annual stockholders' meeting of Northwestern which is set for Jan. 28.

Indianapolis Life has entered Kentucky, its 13th state.

"SOMETIMES this business of making a living is like a merry-go-round. A dizzy, daily whirl-- especially for the salesman who stumbles into the field without the training it takes to develop sound selling techniques. I know guys like that.

"BUT NOT IN MY COMPANY. The Union Central underwriter goes through just about the most thorough training program in the business. Take me, for instance. I was drilled in every phase of life insurance selling. Not by theory alone, but application. Even in routine functions like making telephone appointments. I learned by movies, manuals and recorded interviews, by regular sales meetings and conventions. I learned in the field, too, with an experienced underwriter to guide me.

"AND THANKS to Union Central's advanced training program, I had an opportunity to earn a professional degree from the American College of Life Underwriters. Didn't cost me a penny. I've learned a lot, but most important, I've learned there's only one best answer to any one life insurance problem. That's why my company supplies me with a complete line of policies issued from birth to age 70 to meet every human need."

THOROUGH, EFFECTIVE TRAINING is just one of many major career advantages provided by The Union Central Life Insurance Company. Others include: choice of job location; liberal retirement and pension plans; company stability and national reputation; unlimited opportunities for advancement, in sales, management, administration. In addition, The Union Central actively supports its men in the field with scientific prospecting procedures, a wide variety of sales presentations to fit every type market, and research-tested promotional material. So if you're interested in a career with so much to offer, drop us a line and we'll be glad to arrange an interview at one of our local offices near you.

THE UNION CENTRAL LIFE INSURANCE COMPANY
CINCINNATI

One of America's great companies—with over two billion dollars of life insurance in force!

■ This ad is designed to be of service to young men contemplating a career in life insurance.